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20 March 1986

SOUTHEAST ASIA REPORT

CONTENTS

AUSTRALIA

Briefs

Philippine Investments Inquiry	1
Libyan Recruitment Leaflet	1

BURMA

FRG Investment, Development Aid Grows in Significance (Gabriele Venzky; FRANKFURTER RUNDSCHAU, 27 Jan 86).....	2
---	---

INDONESIA

Portuguese Recognition of FRETILIN Sought (JORNAL DE ANGOLA, 7 Dec 85).....	4
ROK Aid for Vocational Training Center (ANTARA NEWS BULLETIN, 5 Feb 86).....	6
Failure of Feuding PPP Leaders To Abide By Agreement Cited (Soepardjo Rustam; PELITA, 20 Dec 85).....	7
More Than 10 Million Receive Pancasila Indoctrination (PELITA, 7 Jan 86).....	9
ABRI Spokesman Contradicts ASIAWEEK, FEER Stories on ABRI (KOMPAS, 8 Nov 85).....	10
Editorial Discusses Promotion of Nonoil Exports (BUSINESS NEWS, 14 Feb 86).....	12
Cement Production, Exports in 1985 Described (BUSINESS NEWS, 14 Feb 86).....	14

Domestic Fuel Oil Price Will Not Be Raised (ANTARA NEWS BULLETIN 5 Feb 86).....	17
Palm Oil Cooperation To Be Carried Out With Malaysia (ANTARA NEWS BULLETIN, 6 Feb 86).....	18
Delay in Shipment of Cotton From PRC Clarified (SINAR HARAPAN, 24 Dec 85).....	19
Construction of Telukbayur Coal Port Started (ANTARA NEWS BULLETIN, 6 Feb 86).....	21
Trade Minister Calls Accusation Against SGS Unfair (SINAR HARAPAN, 9 Nov 85).....	22
Legal Aid Institute, Government Alienation Described (TEMPO, 9 Nov 85).....	23
'Undisbursed Development Funds' System Discontinued (MERDEKA, 8 Jan 86; SUARA KARYA, 10 Jan 86).....	26
Discontinuance as of 1986-87	26
Selective Exceptions	27
Predicament of State-Owned Tin Company Described (BUSINESS NEWS, 7 Feb 86).....	28
Loan Interest Rate for State-Owned Estate Lowered (BUSINESS NEWS, 7 Feb 86).....	30
Only 2 Percent of Available Farm Credits Issued (KOMPAS, 7 Jan 86).....	32
Bulog Sustains Losses Stockpiling Food (ANTARA NEWS BULLETIN, 7 Feb 86).....	34
Food Procurement in 1986 Expected To Increase (ANTARA NEWS BULLETIN, 7 Feb 86).....	36
C-235 Test Flight Reported (ANTARA NEWS BULLETIN, 7 Feb 86).....	38
Other Countries' Attitudes Toward Transmigration Described (ANTARA NEWS BULLETIN, 4 Feb 86).....	40
Sudomo on Sending of Female Workers to Saudi Arabia (SUARA KARYA, 20 Dec 85).....	42
NU, Muhammadiyah in Agreement for First Time (KOMPAS, 10 Nov 85).....	44

Briefs	
New NU Campaigning Restrictions	45
NU Youth Adopt Pancasila	45
Trade Surplus	46
Better Understanding of Timor	46
Texas Eastern Oil Search	46
Invitation to Vietnam	47

LAOS

Champassak Party Chief Describes Security, Economic Goals (Sounthon Thep-asa; PASASON, 6 Jan 86).....	48
Transport Officials Inspect Construction of Route 8 (Vientiane Domestic Service, 26 Feb 86).....	50
Water Transportation Capabilities Described (Somphong Choulamani; PASASON, 7 Jan 86).....	51
Phoumi Vongvichit Attends Soviet Art Performance (Vientiane Domestic Service, 21 Feb 86).....	52
Briefs	
SRV Aid to Bokeo Hospital	53
Xieng Khouang Road, River Communication	53
Swedish-Aided Factory Problems, Wages	53

MALAYSIA

Commentary Reviews Visit by Prince Rannarit (Kuala Lumpur International Service, 21 Feb 86).....	55
Malaysian King Congratulates Aquino on Assuming Office (BERNAMA, 27 Feb 86).....	57
Commentary Discusses Changes in Philippines (Kuala Lumpur International Service, 27 Feb 86).....	58
Musa's Attack on PAS Propaganda Viewed (Editorial; SIN CHEW JIT POH MALAYSIA, 31 Dec 85).....	60
BERNAMA on Musa's Resignation as Deputy PM (M. Govind Nair; BERNAMA, 28 Feb 86).....	62
'Sources' Cited on Musa's Reasons for Resigning (BERNAMA, 28 Feb 86).....	65
Hajah Zainab Announces New Political Party (Johnny Wong; THE NEW STRAITS TIMES, 27 Feb 86).....	67

Lim Kit Siang Brands Gerakan Statement 'Unprincipled' (SIN CHEW JIT POH MALAYSIA, 31 Dec 85).....	69
MCA Considering Possibility of Merging With Gerakan (SIN CHEW JIT POH MALAYSIA, 3 Jan 86).....	71
DAP To Cooperate With Other Opposition Parties Against Barisan (KIN KWOK DAILY NEWS, 25 Dec 85).....	73
Steps To Stem Illegal Immigrants Urged (Editorial; SIN CHEW JIT POH MALAYSIA, 24 Dec 85).....	74
Relationship Between Immigration Policy, Illegal Immigrants (KIN KWOK DAILY NEWS, 27 Dec 85).....	76
Industrial Master Plan Outlined (NEW STRAITS TIMES, 4 Feb 86).....	78
NEW ZEALAND	
Greenpeace Boards Japanese Ships in Antiwhaling Protest (AFP, 28 Feb 86).....	79
Queen Departs After Protest-Dogged Visit (AFP, 2 Mar 86).....	80
PAPUA NEW GUINEA	
Wingti Changes Rules on Foreign Aid Use (PAPUA NEW GUINEA POST COURIER, 20 Feb 86).....	82
PHILIPPINES	
Commentary Analyzes Aquino, Opposition Gains (Annabelle Cueva Clutario; WE FORUM, 18-24 Feb 86).....	83
Paper Analyzes Election Impact on 'Real Losers' (Sonia G. Dipasupil; WE FORUM, 18-24 Feb 86).....	85
Ramos Interviewed by Japanese TV on Recent Events (NHK, 1 Mar 86).....	87
Two Mindanao 'Sparrows' Kill NPA Commander (PEOPLE'S DAILY FORUM, 22 Jan 86).....	88
NPA Sabotages Davao Power Transmission, Kills Guard (PEOPLE'S DAILY FORUM, 31 Jan 86).....	89
Davao Paper Tallies 36 Killed in Jan 86 (Chito Herbolingo; THE MINDANAO DAILY MIRROR, 1 Feb 86).	91

Surigao NPA 'Massacre' Five; Villagers Flee (THE MINDANAO DAILY MIRROR, 2 Feb 86).....	93
---	----

SINGAPORE

BERNAMA on New Measures To Stimulate Economy (BERNAMA, 26 Feb 86).....	94
Briefs More Industrial Equipment to PRC	95

THAILAND

Prem Said To Threaten To Dissolve Parliament (SIAM RAT, 10 Feb 86).....	96
Columnist Says Public 'Tired of' Prem (SIAM RAT, 10 Feb 86).....	98
Industry Minister Hits Out at Tin Plan (Bangkok Domestic Service, 28 Feb 86).....	100
New Force Party Agrees on New Leader (THE NATION, 28 Feb 86).....	101
Family Planning Agency Views Population Problem (DAO SIAM, 6 Dec 85).....	102
Prasong Says Refugees Must Be Resettled (BANGKOK POST, 2 Mar 86).....	103
CPM Psychological Warfare Effort in Betong Noted (Thuan Thapkhai; DAO SIAM, 12 Jan 86).....	104
PRK Troops Shell Village, Police Hold Fire (DAO SIAM, 5 Jan 86).....	105
Strong Defense Needed To Deter SRV Intrusions (Editorial; THE NATION, 22 Feb 86).....	106
Kuomintang Leader on Fighting Among Burmese Rebel Groups (Somchai Hansa; THE NATION, 20 Feb 86).....	108
Traffickers Buy Weapons From CGDK for Sale to Karens (DAO SIAM, 18 Jan 86).....	110
Sitthi Discusses Burma Visit With Daily (Suthichai Yun; THE NATION, 3 Mar 86).....	111
Dutch Navy Warships Make 4-Day Port Call (BANGKOK POST, 2 Mar 86).....	112

Briefs

Trade Agreement With Gabon	113
Canadian Refugee Aid	113
Ministry Issues Refugee Resettlement Letters	113
Science Minister Resumes Work	113
Weapons Enroute to Burma Border	114
Open Border With Laos	114

CAMBODIA

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Sihanouk Envoy Says SRV To Attack Refugees (L. D. Baptist; BERNAMA, 26 Feb 86).....	115
Supreme Command Reports on Cambodian Resistance (THE NATION, 22 Feb 86).....	117
Internal Struggle Continues To Plague KPNLF (Francis Deron; AFP, 21 Feb 86).....	119

VIETNAM

MILITARY AFFAIRS AND PUBLIC SECURITY

Hai Hung Province Resists Illegal Land Use (NHAN DAN, 7 Jan 86).....	121
Group B90 Steps Up Disciplinary Training (Nguyen Huy Hieu; NHAN DAN, 6 Jan 86).....	122

INTERNATIONAL RELATIONS, TRADE, AND AID

Activities Welcome 27th CPSU Congress (VNA, 26 Feb 86).....	125
Reader Criticizes Shady Export Practices (NHAN DAN, 6 Jan 86).....	126
Truong Chinh, Pham Van Dong Greet Sarhawis (VNA, 26 Feb 86).....	127
NHAN DAN Condemns Murder of Lebanese CP Member (VNA, 28 Feb 86).....	128

Briefs	129
Press Conference on GDR Army Day	
ECONOMIC PLANNING, TRADE, AND FINANCE	
Enterprises Still Lack Full Financial Autonomy (Do Nguyen Khoat; NHAN DAN, 7 Jan 86).....	130
Slow Plan Review Procedures Delay Progress (NHAN DAN, 6 Jan 86).....	134
AGRICULTURE	
Marine Economic Potential Discussed (Pham Van Vang; THONG TIN KHOA HOC XA HOI, Jun 85).....	135
Go Dau's Experience in District Building Discussed (Le Van Phuc; NHAN DAN, 16 Dec 85).....	144
Subsidiary Food Crop Production Needs Greater Emphasis (Editorial; NHAN DAN, 6 Jan 86).....	148
Briefs	
Hydraulic Survey Irrigation Projects	150
HEALTH, EDUCATION, AND WELFARE	
Demography Experts Predict Continued High Birth Rate (Pham Bich San; THONG TIN KHOA HOC XA HOI, Jun 85).....	151
POPULATION, CUSTOMS, AND CULTURE	
Thai Binh Transfers 10 Percent of Population (NHAN DAN, 7 Jan 86).....	157
PUBLICATIONS	
Table of Contents of NGHIEN CUU KINH TE, Dec 85 (NGIEN CUU KINH TE, Dec 85).....	158

AUSTRALIA

BRIEFS

PHILIPPINE INVESTMENTS INQUIRY--Officials from the federal Treasury and Foreign Affairs Department have begun an inquiry into Filipino investment in Australia. The move follows a pledge by the prime minister, Mr Hawke, that his government will give sympathetic consideration to any request from the new Philippines government to help seize assets of Marcos family in Australia; but Mr Hawke said it was appropriate for the incoming Aquino government to try to restore the property of the Filipino people to its rightful owners. Mr Marcos is believed to own a stud farm in New South Wales. Radio Australia's Canberra office says that while no requests for help had been received from the Philippines government, the matter was expected to be raised when the foreign minister, Mr Hayden visits Manila next week. Our office says a government source has revealed that while the inquiry would be able to investigate the extent and nature of Filipino investment in Australia, the federal government would not be able to act unless there had been a breach of Australian law. [Text] [Melbourne Overseas Service in English 0830 GMT 28 Feb 86 BK] /9274

LIBYAN RECRUITMENT LEAFLET--Federal government officials are studying a Libyan government leaflet asking Australian recruits for Libyan armed forces. A Foreign Affairs Department spokesman said the leaflet might be in breach of a federal law forbidding recruitment in Australia for the armed forces of a foreign country. The spokesman said the leaflet had been sent mainly to serving and retired Australian military officers in Canberra. It said the Libyan Armed Forces was seeking what it called freedom fighters to join the fight against Zionists and other enemies of the Muslim world. The foreign affairs spokesman said it would take a few days before any recommendation could be made on the legality of the document. The opposition spokesman on foreign affairs, Mr Peacock, has called on the government to take strong action in protest against distribution of the leaflet. Mr Peacock said the government should protest to the Libyan Embassy in Canberra and close down Libyan Government offices in Melbourne and Sydney. [Text] [Melbourne Overseas Service in English 0830 GMT 28 Feb 86 BK] /9274

CSO: 4200/755

BURMA

FRG INVESTMENT, DEVELOPMENT AID GROWS IN SIGNIFICANCE

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 Jan 86 p 13

Article by Gabriele Venzky, Rangoon

[Excerpt] Burma is a country seemingly arrested somewhere between the Middle Ages and the early 20th century. The first 12 years of total isolation from the outside world after Ne Win's coup d'etat in 1962 have surely contributed a great deal to this. Curiously enough, because of it the country has remained the only truly bloc-free country in the world.

Which does not mean, however, that in Burma one does not dream of affluence, and would like to have it a little more comfortable. "The Americans offered us factories, the Japanese want to help us and the Germans, also, but our government rejects everything obstinately," says one businessman indignantly. Private investors are not welcome in Burma. The first international cooperation agreement was concluded only last year with a German enterprise (Fritz Werner Industrieausrustungen GmbH), which is partly government-owned.

This also aroused hopes in other countries which have tried for years to get into the Burma business. But the Burmese continue in their wait-and-see attitude. They still prefer loans and credits over foreign investment, a fiscal policy madness in the opinion of experts.

The cooperation with Fritz Werner has its own history. The gun factory established by the enterprise in the early 1950's became the cornerstone for particularly good relations between Burma and the FRG, despite all ideological differences. "A relationship we can only dream about," the GDR charge d'affaires in Rangoon once said, and not without envy.

What Myanma-Fritz Werner produces, four hours' drive north of Rangoon, is kept a secret. But it is not difficult to speculate, because the central government in Rangoon continues to be at war with its rebel minorities in the rest of the country, as it has been for 38 years, ever since its declaration of independence in 1948.

After Japan, the FRG is Burma's second-largest contributor of development aid. The government, despite its goal of economic autonomy, cannot do completely without foreign assistance. Burma's indebtedness, \$ 100 million

in 1970, has meanwhile risen to \$ 2.5 billion, but that has not detracted from the country's credit worthiness in the eyes of the donor countries. Yet debt servicing has already surpassed the 45 percent line. In general, 25 percent is considered the critical mark.

Although the new 5-year plan--to begin in the course of this year or at the start of the next--provides for an impressive 6.1 percent growth rate on the average, it is hardly likely that this goal can actually be attained.

9917

CSO: 4620/29

INDONESIA

PORTUGUESE RECOGNITION OF FRETILIN SOUGHT

Luanda JORNAL DE ANGOLA in Portuguese 7 Dec 85 pp 1, 12

[Text] Maputo--Mari Alkatiri, the FRETILIN [National Liberation Front of Timor] leader, told the ANOP [Portuguese News Agency] news agency that any political solution negotiated for East Timor "will have to include Portugal's recognition of FRETILIN as the only legitimate representative of the Timorese."

Alkatiri, who was FRETILIN's foreign affairs secretary until recently, made this statement in Maputo on the day the tenth anniversary of the proclamation of the Democratic Republic of East Timor (28 November) was commemorated.

"The fact that we are able to commemorate the tenth anniversary at a time when we have 70 percent of East Timor's territory under our control (even though it cost 200,000 lives), is already a great victory," he said.

"Few liberation movements had 10 years of armed struggle and almost none under the conditions we are under. Now, more so than ever, no one can deny FRETILIN's existence and that it creates problems for Indonesia. Is it for this reason that we commemorate the tenth anniversary with optimism," he added.

Mari Alkatiri, who was recently replaced as foreign relations secretary by New York-based Ramos Horta, revealed that 1985 was the first year since 1978 that FRETILIN had established liberated zones.

"We also regained the military initiative this year. The Indonesian occupation forces have already lost their combative spirit. Although we do not claim to be able to impose a military solution, we will be increasing pressure to force a negotiated political solution."

At this moment, added Alkatiri to ANOP, there are 7,000 soldiers in East Timor, split into regular units, "facing approximately 40,000 Indonesian soldiers." These 7,000 soldiers have no foreign military support."

"One hundred thousand people, out of a population of about half a million, live in liberated zones. They receive some aid--mostly health and educational aid--from European organizations that I prefer not to mention," he indicated.

To Alkatiri, last September's ministerial meeting of Nonaligned Countries, in which 4 and ½ hours was spent discussing the East Timor affair, was a great victory.

"We were able to get 17 countries to side with us. Although Indonesia had 25 countries siding with it, we were able to get the problem on the agenda and not forgotten."

He said that, since 1983, there have been preliminary negotiations between the Portuguese government and Indonesia under the auspices of the United Nations Secretary General. "The last meeting, between former Portuguese Foreign Minister Jaime Gama and his Indonesian counterpart, Mochtar Kusumatmadja, took place in New York at the end of last September."

"At that time, Foreign Minister Jaime Gama contacted Ramos Horta for the first time in order to establish a joint plan of action. Nothing, however, has been formalized. Portugal must take more decisive steps and the only possible route is to recognize FRETILIN," he added.

Yesterday, in Maputo, a gala affair marked the tenth anniversary of the proclamation of the Democratic Republic of East Timor. These celebrations will be repeated within 10 days to mark the tenth anniversary of the beginning of Indonesia's occupation of that former Portuguese territory.

Approximately 25,000 citizens of East Timor are now refugees; 20,000 of them are in Australia.

9935/9738
CSO: 3442/124

INDONESIA

ROK AID FOR VOCATIONAL TRAINING CENTER

Jakarta ANTARA NEWS BULLETIN in English 5 Feb 86 p A8

[Text] Indonesia, South Korea sign agreement on establishment of vocational training center

Indonesia and the Republic of Korea signed an agreement at the ministry of manpower office here Wednesday on the establishment of a vocational training center in Indonesia.

The agreement was signed by Manpower Minister Soedomo and South Korean Ambassador to Indonesia Sang Sup Choi on behalf of their respective government.

South Korea will provide a grant amounting to US\$ 5 million for machines, apparatuses and other training goods as well as for the training of Indonesian experts in Korea.

The vocational training center will be constructed in Banjar Baru, South Kalimantan, under the name of the Indonesian-Korea Vocational Training Center. It will be operated under the supervision of the Indonesian manpower ministry and expected to train about 420 skilled persons per year.

The government of South Korea, in line with the agreement, will also place a chief advisor and seven experts on the training center.

The agreement is one of the implementations of the Joint Communique of October 19, 1982 between President Soeharto and South Korean President Chun Doo Hwan for closer technical co-operation between the two countries.

/13104
CSO: 4200/758

FAILURE OF FEUDING PPP LEADERS TO ABIDE BY AGREEMENT CITED

Jakarta PELITA in Indonesian 20 Dec 85 pp 1, 6

[Article: "Home Affairs Minister Soepardjo Rustam Says Government Has Repeatedly Called on the PPP To Abide By Its Agreement"]

[Text] Jakarta (PELITA)--The government has repeatedly called on the United Development Party (PPP) to abide by the agreement reached between the Naro and Sudardji cliques at the official resident of the home affairs minister before the Idul Fitri [end of fasting period] holiday.

"At that time they said they were wholeheartedly behind the development of Muslims, and they pledged their determination to return to the fold, namely, the DPP [party executive council]," Soepardjo Rustam, minister of home affairs, said in response to a reporter's question at the end of the "Upakati" awards (for the industrial sector) ceremony held at the Presidential Palace on Thursday [19 December].

That agreement, in the end, did not require a recall of a number of members of Parliament representing the PPP Faction nor require the legitimation of that faction by Dr Naro, general chairman of the PPP DPP, the home affairs minister said.

He explained that at that time they all reaffirmed their determination to follow the procedural regulations and the party constitution. It was for matters such as these that, General L.B. Moerdani, PANGAB/PANGKOPKAMTIB [Armed Forces commander/commander of the Command for the Restoration of Security and Order], in a meeting held in Jakarta on Wednesday, again explained to all elements of the all-Indonesian PPP leadership, the government's standpoint, namely, that a rival managerial body was unacceptable to the government because it was not a product of valid operating procedures and the party constitution.

According to Soepardjo Rustam, Gen Moerdani reaffirmed the government's resolute stand, which had been conveyed to elements of the PPP leadership by the MENDAGRI [minister of home affairs] and the PANGKOPKAMTIB during a meeting held in November in Jakarta. "Pak Benny [Mr. Moerdani] placed more emphasis on security and order in line with his authority and level of responsibility," the MENDAGRI added.

No Problem

Responding to a question from a reporter about the failure of the Sudardji clique to attend the PPP working meeting, the MENDAGRI said this was no problem. "Perhaps he had to attend another program so whether Dardji did or did not attend the meeting created no problem. Perhaps Dardji knew a meeting was to be held and the PANGKOPKAMTIB was to speak, but he did not want to attend the meeting. That is his business, isn't it?"

When the reporter pointed out that the Sudardji clique did not want to attend whenever General Chairman Naro and Secretary General Mardinsyah called a meeting, the MENDAGRI tersely responded, "Apparently that was the case."

The MENDAGRI was also asked whether there was a general tendency in the PPP for one clique to invite another to a program and for the other party to fail to attend. The MENDAGRI quickly repeated, "I have just said that during a meeting held at my home, they said they were wholeheartedly behind Muslim development but from what developed after that, you reporters can draw your own conclusions about what has happened within the party."

"I have repeatedly reminded them of their agreement and asking them to heed it. The most recent example was what the PANGKOPKAMTIB emphatically told them at the National PPP Working Meeting held on Wednesday," the MENDAGRI said.

6804/13104
CSO: 4213/77

INDONESIA

MORE THAN 10 MILLION RECEIVE PANCASILA INDOCTRINATION

Jakarta PELITA in Indonesian 7 Jan 86 pp 1, 7

[Text] Jakarta, PELITA--During the almost 7 years of P-4 [Guidelines for the Implementation and Practice of Pancasila] indoctrination, using every type and pattern, more than 10 million Indonesian citizens have participated. They have come from every element and stratum, including government employees, ABRI members, religious leaders, laborers, women, journalists, young people, businessmen, functionaries of GOLKAR and political parties, etc.

Sarwo Edhie Wibowo, chairman of BP-7 [Pancasila Indoctrination Board] made this statement in his remarks yesterday opening the 56th P-4 indoctrination for community organizations.

Sarwo Edhie said further that all elements and strata of society now understand how important it is that Pancasila should be implemented and practiced, because it is the basis of the state and the guide for the life of the people.

He said that Pancasila indoctrination efforts are moving smoothly and have received positive response from every stratum of society. This means that all strata have participated actively in a process of history that is meaningful and important for the future of the Indonesian people.

"If all strata of society understand and study thoroughly this basic concept of ours and practice it well, the effort to achieve a progressive, just, and prosperous society based on Pancasila is certain to be successful," declared the chairman of BP-7.

The 56th P-4 indoctrination was attended by 194 people from community organizations such as political forces, professional and functional groups, spiritual and religious groups, state institutions of higher education, private organizations, governmental/departmental organizations, etc.

6942
CSO: 4213/93

INDONESIA

ABRI SPOKESMAN CONTRADICTS ASIAWEEK, FEER STORIES ON ABRI

Jakarta KOMPAS in Indonesian 8 Nov 85 pp 1, 8

[Text] The Director of the ABRI Information Center/The Chief of the Public Relations Service of the Command for the Restoration of Security and Order strongly refuted reports that as a result of ABRI's reorganization many senior officials have been affected by unwanted transfers, assignments, or reduced promotion possibilities. The counterstatement was made Thursday 7 November regarding articles by some foreign reporters which were published in foreign magazines.

In conjunction with this matter, the Director General of Publications, Press and Graphics of the Department of Information, Soekarno SH, called in three foreign journalists in Jakarta on Wednesday 6 November. He cautioned each one individually that their articles were considered to be insinuating and that they could cause false impressions on the part of the readers. The journalists were Andree Feillard of Asiaweek, Lincoln Kaye of Far Eastern Economic Review [FEER], and Paul Handley, writer/contributor to FEER.

The ABRI Information Center's announcement yesterday 7 November cited, as an example, an article entitled "Revamping the Ranks" (Asiaweek 18 Oct 85) which was about the ABRI reorganization. One of the passages quoted from the article was, "Still, as many as 170 senior officers, from colonel to brigadier-general, have been affected by unwanted transfers or reduced promotion possibilities; among them are about 100 colonels and lieutenant-colonels who have yet to be placed . . ."

Not True

According to Director of the ABRI Center of Information, Rear Adm. Emir Mangawean, this quote is not true, and information about the ABRI reorganization, in all its stages of implementation, has actually been quite adequately covered and publicized by both the domestic and foreign mass media. He affirmed that the ABRI reorganization has proceeded in an orderly and smooth manner, according to plan. The new organization has taken form according to reorganization objectives, and the conclusion was signalled by the dismantling of the Defense Territorial Commands [Kowilhan] I through IV by the ABRI Commander. "Now, what remains to be done is to firm up the new organization," he said.

The Director of the ABRI Information Center stated that "unwanted transfers" was an unfamiliar expression in ABRI circles because, even before the reorganization, a person joining the ABRI always needed to be mentally and physically prepared to be located anywhere at anytime.

He also considered the statement "reducing possibilities for promotions," to be misleading because in the new organization resulting from the reorganization, such is, in fact, not the case. For example, he pointed out that all Regional Military Commanders [Pangdam], including those outside the city of Java, currently have two stars (Major Generals), whereas in the past Pangdam outside of Java only had one star (Brigadier Generals).

The Difference

He added that the only difference now in the criteria for assessing the personnel between the Generation of 45 and the successor generation is that the personnel of the Generation of 45 are commonly called BTM (ever striving) because of their continuous participation in the war for independence. Whereas for the younger generation, which did not experience the war for independence, such a standard is naturally not applicable.

Regarding the personnel transfers, after checking with the officer in charge of personnel training and development, it was learned that the placement of personnel from the dismantled components of the ABRI organization has been fully completed in the period leading up to Armed Forces Day, 5 October 85. As proof, the Information Center Director pointed out the fact that only a few personnel were left to attend the ceremony for completing the dismantling of Kowilhan I-IV last June because the Kowilhan personnel had generally already transferred to their new posts before the Kowilhan were dismantled. "Only the personnel whose new assignments were nearby were able to attend the ceremony, along with various ex-detachment office personnel who had been assigned the task of finalizing all the last details of the Kowilhans," said the Director of the ABRI Information Center.

13003/13104
CSO: 4213/54

INDONESIA

EDITORIAL DISCUSSES PROMOTION OF NONOIL EXPORTS

Jakarta BUSINESS NEWS in English 14 Feb 86 p 2

[Text]

Eleven ministers in charge of economic, financial and industrial affairs have been summoned by President Soeharto to discuss the problem of non-oil/gas exports, which at present becomes increasingly urgent in connection with the sharp decline in the crude oil price. The President has ordered the ministers to focus coordination and the search for possible ways in the effort to boost non-oil/gas exports.

Minister of Trade Rachmat Saleh, who explained to newsmen about this meeting, indicated that the government is now formulating methods to stimulate exports which cannot be interpreted as subsidies. The system of SE (export certificates) now effective will have to be terminated next April 1 just because it is considered a subsidy. SE will thereafter be granted to exporters in the form of a pure draw back system, viz. a mere refund of import duty already paid by exporters upon the import of raw materials. In addition, other forms of non-subsidy incentives still have to be sought.

The shift in the sense of SE means that exporters will not receive SE if they only use local raw materials. Hence if these exporters have to compete with those who use import raw materials, the local materials should be cheaper than import materials. At least the price should be lower to the amount of import duty on the raw materials concerned if imported. Otherwise, they will prefer the use of import materials.

What is described above clearly shows how excessive protection given to raw material producers is frontally opposed to the aim of boosting non-oil/gas exports. Protection, the granting of monopoly or exclusive rights to one or two producers or distributors of basic materials cause prices to rise far higher than the normal level, so that the entire group of industries using or processing the basic materials has to bear considerable extra burden. Under such circumstances we cannot expect to export finished goods processed by the industrial column; even at home the goods will not survive competition unless the import of the same type of goods is subject to a high rate of import duty.

By placing non-oil/gas exports as the main objective in the presidential order, the coordination that is supposed to be introduced must therefore be interpreted as adjustments and arrangements in such a way that the exports can be realised. In other words, the goal is not merely to increase the production of manufactures, rubber, plywood etc., but also to export these products. It implies that the qualities and prices of the products in their respective categories should be competitive. This can only be achieved if the pride taken involves not only the fact that the goods are locally produced, but also that their qualities are more superior or at least similar to those of foreign products, while their prices are also competitive. Such an attitude should naturally give higher priority to the economics of a certain industrial branch, rather than only view it from the angle of the possibility or technical capability of producing the goods concerned. If the aim is only to produce maximum quantities of goods domestically, the problem is relatively not so difficult. Difficulty arises when the locally produced goods are supposed to survive world competition without protection or subsidies, except at their infant stage of growth. The current tendency is that protection is just increased (by banning imports) when certain goods can already be domestically produced. As long as such orientation remains unchanged, it is difficult to imagine how non-oil/gas exports can be promoted to compensate for the loss of oil and gas foreign exchange receipts.

INDONESIA

CEMENT PRODUCTION, EXPORTS IN 1985 DESCRIBED

Jakarta BUSINESS NEWS in English 14 Feb 86 p 6

[Text]

Indonesia's cement exports in 1985 totalled 880,000 tons to seven countries, indicating an increase of more than 100% over 403,000 tons to nine countries in 1984, Chairman of the Indonesian Cement Association (ASI) Ir. Setiadi Dirgo told Parliamentary Commission VI here recently.

Concerning the realisation of cement exports to China in accordance with an agreement which has been signed by Kadin (Indonesian Chamber of Commerce and Industry), Setiadi said it was entrusted to the ASI members.

Indonesia now has 10 cement plants with a total installed capacity of 17.4 million tons, comprising PT Semen Padang-1,530,000 tons, PT Semen Gresik - 1.5 million tons, PT Semen Tonasa - 1.2 million tons, PT Semen Cibinong - 1.5 million tons, PT Indocement 7.5 million tons, PT Semen Nusantara - 750,000 tons, PT Semen Baturaja - 500,000 tons, PT Semen Andalas - 1 million tons, PT Semen Kupang-120,000 tons and PT Semen Cirebon - 1.2 million tons.

The ten cement plants are currently operating with a total real capacity of 13.6 million tons/year, far below their full capacity. With the real production capacity of 13.6 million tons/year, the domestic consumption of around 9 million tons/year, and the plan to export 1.3 million tons in 1986, the surplus of cement supply in this country is expected to reach 3.3 million tons this year.

Viewed from the need for cement in each island, the consumption of this building material is estimated at around 60-62 percent in Java, 22-25% in Sumatra, 7% in Sulawesi, 4% in Kalimantan and 5% in other islands.

The price of cement on the international market is at present US\$ 26 - US\$ 26.5/ton. To secure the continuation of cement exports, the government still issue export certificates of 11.78% or US\$ 11 for the export of 1 tons of cement. Thanks to the provision of export certificates, the price of Indonesian cement is currently still competitive on the world market.

But the government will no longer issue export certificates for cement exports from April 1, 1986, and replace the export certificate system with the draw back system. With the revocation of the export certificate system, the government is expected to give other forms of compensation to stimulate cement exports.

Besides the revocation of the export certificate system, the shrinkage of the export market and the increasingly tight competition are other factors hampering cement exports. The cement export market has become narrower because several consumer countries, particularly the Mideast countries, have built their own cement plants.

To increase the domestic consumption of cement, the government has initiated to use cement in the construction of concrete roads and the production of concrete electric poles and concrete railway sleepers.

Referring to the effort to step up efficiency in the cement industry, the ASI chairman pointed out that several cement plants had converted their fueling system to replace fuel oil with coal. The proper use of coal in the cement industry is more beneficial than the use of fuel oil, he said.

In this context, he explained that around Rp 20,000 was needed for the production of 1 ton of cement using fuel oil, but by converting the fueling system to use coal as fuel the cost for the production of 1 ton of cement could be lowered to about Rp 9,000 - Rp 11,000.

Cement plants which have used coal are PT Semen Padang, PT Semen Baturaja, PT Semen Andalas, PT Semen Nusantara and PT Semen Kupang. All cement plants in Indonesia are expected to have used coal as fuel by 1988.

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CSO: 4200/758

INDONESIA

DOMESTIC FUEL OIL PRICE WILL NOT BE RAISED

Jakarta ANTARA NEWS BULLETIN 5 Feb 86 p A6

[Text] Minister Radius: No Raise in Oil Price

There will be no raise in oil price despite a smaller oil subsidy of Rp. 142.4 billion in 1986/87 compared with the previous year of Rp.532.3 billion Finance Minister Drs. Radius Prawiro has stated.

The fact that gasoline of super type has disappeared from several fuel oil supplier stations here was not an indication of a higher oil price as said by reports published here, but it was due to a distribution failure caused by floods, Radius said here Tuesday during a meeting of regional secretaries of provincial level.

The small oil subsidy in the coming fiscal year was due to a fall in oil price besides an effort to improve efficiency by Pertamina, the state owned oil company, in processing oil fuel that could reduce production cost.

Oil subsidy has been a burden to the government since its selling price is far below the production cost. The subsidy once amounted to more than Rp. 1 trillion, but eventually it could be reduced to Rp.532.3 billion in fiscal 1985/86, according to Minister Radius.

/13104

CSO: 4200/758

INDONESIA

PALM OIL COOPERATION TO BE CARRIED OUT WITH MALAYSIA

Jakarta ANTARA NEWS BULLETIN in English 6 Feb 86 p A4

[Text] Malaysia and Indonesia will cooperate to avoid over-production of primary commodities, especially palm oil, Malaysian Land and Regional Development Minister Mohamad Abid Adam said Wednesday.

He said cooperation between the two countries was needed because technology advances in agriculture had resulted in production exceeding demand.

In such a situation, the consumer nations would dictate price at the expense of producing countries, he said in a briefing to Indonesian transmigration minister Martono at his office here.

He said it was time for Malaysia and Indonesia to jointly look into an effective commodity price stabilisation mechanism.

A price stabilisation mechanism was needed to achieve the objectives of the new world economic order, he said.

Adib said that as palm oil producers, Malaysia and Indonesia must give serious attention to overcoming the shortcoming of the international commodity agreements so that commodity prices could be stabilized.

Martono told reporters after a closed-door discussion with Adib that it was only proper for Indonesia to step up cooperation in primary commodities production with Malaysia because this was an important matter which should be tackled jointly.

The decision arrived at in the meeting would be conveyed to the other parties involved for further action, he added.

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CSO: 4200/759

INDONESIA

DELAY IN SHIPMENT OF COTTON FROM PRC CLARIFIED

Jakarta SINAR HARAPAN in Indonesian 24 Dec 85 p 1

[Article: "Sukamdani Says, 'We Must Make Every Effort and Be Prudent;' Cotton Imports From the PRC Delayed Because the SGS Is Unable To Inspect Them"]

[Text] Jakarta, 24 December--The importation of raw cotton from the People's Republic of China (PRC) by two Indonesian importing companies is still being held up because the SGS [Societe Generale de Surveillance] surveyor has been unable to inspect them. The planned imports, for which a letter of credit was opened on 23 October 1985, should have been shipped to Indonesia in December if no problem had arisen with the SGS.

This was confirmed by Sukamdani S. Gitosardjono, general chairman of the Indonesian KADIN [Chamber of Commerce and Industry], in response to a question from SINAR HARAPAN on Monday [23 December] in Jakarta. On that occasion, Sukamdani also confirmed that some progress has been made in the implementation of direct trade relations, reopened some time ago, between Indonesia and the PRC.

In accord with a decision now in effect, Indonesian import verifications commodities must be inspected at the loading point to receive an Inspection Report (LKP) while goods for which an LKP is not completed must be re-exported within 30 days.

PT Sucofindo, acting as the surveyor, appointed the SGS to inspect the commodities overseas.

According to Sukamdani, problems arose because the SGS does not as yet have any "subsidiaries," "affiliates," agents, or representation in the PRC. Thus, Indonesian import items can in no way be inspected by the SGS. "If this matter is not cleared up, the importers involved will have problems, and the implementation of direct trade between Indonesia and the PRC will be hampered," he said.

Under the original plan, the first raw cotton imported directly from the PRC was to be shipped from Hubei, Xinjiang, and Shanghai through Chinatex.

These imports were a realization of the agreement made by the Indonesian KADIN with the PRC International Trade Promotion Agency (CCPIT) under which Indonesia would import raw cotton valued at \$4 million while the PRC would import "synthetic fiber" (a basic material for textile manufacture) valued at \$6 million.

Progress Made

Offering a broad judgment, Sukamdani said direct trade with the PRC had progressed. According to the agreement (the letter of intent) to import commodities valued at \$352.5 million from the PRC, more than \$38 million worth of imports (purchase and sale contracts) had been realized.

Indonesian goods already shipped to the PRC include plywood, urea fertilizer, lumber, reinforcing rods, and crumb rubber.

According to Sukamdani, the excellent services provided by the Indonesian government to the PRC with regard to ports and immigration facilitated the re-opening of these trade relations. Still needed apparently is better service by the banking sector especially with regard to designation of foreign exchange banks that are permitted to handle trade transactions with the PRC.

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CSO: 4213/77

INDONESIA

CONSTRUCTION OF TELUKBAYUR COAL PORT STARTED

Jakarta ANTARA NEWS BULLETIN 6 Feb 86 pp A1, A2

[Text] The construction of a special port for coal shipment worth 2.5 billion rupiahs in Telukbayur, Padang, has been started.

The initial construction of the port was marked with a first pile driving ceremony Wednesday by West Sumatera Governor Ir. Azwar Anas, witnessed by President Director of the state-owned coal mining public company Ir. Ahmad Priyono.

According to M. Koesna, manager of the project, the port could harbour ships of 25,000 DWT with a total shipment of 1,000 tonnes of coal per hour.

One section of the port which stands side by side with a special port with cement shipment will also be used for loading and unloading general cargo.

The construction works of the port which is scheduled to be completed within one year is carried out by the Ujungpandang based company of PT Dharma Subur Sakti with a consultant PT Sangkuriang of Bandung.

Governor Azwar Anas during his address said that with the special port for coal shipment, the targeted 1.5 million tonnes of the Ombilin and Sawahlunto coal production in 1990s could be achieved.

With the completion of the port, the Ombilin coal production could be shipped at any time both for domestic demand or for export, he added.

The port will also be equipped with mechanical equipment worth 6 billion rupiahs.

Ahmad Priyono told the press that last year about 523,000 tonnes of coal were shipped at the Telukbayur port, 452,000 of which were for export and the remaining for the Andalas Cement Plant in Axeh and the Nusantara Cement Plant in Cilacap.

He said that the quality of the Ombilin coal production is the best if compared with the one produced in other parts of the country. Its export price is US\$ 37 per tonne for Telukbayur Free On Board term (FOB).

INDONESIA

TRADE MINISTER CALLS ACCUSATION AGAINST SGS UNFAIR

Jakarta SINAR HARAPAN in Indonesian 9 Nov 85 p 1

[Text] Trade Minister Drs. Rachmat Saleh claimed that it is unfair that the Societe de Generale de Surveillance (SGS) is always being accused that it is the cause for the delays in the administrating of both import and export documents which in turn are interrupting the smooth release of goods. What happens in the field is that frequently exporters do not accurately fill out the forms and sometimes even overstate the true value of their goods.

This was brought out by Rachmat Saleh Friday 8 November in Denpasar, Bali before officially closing the 6th Indonesia-Japan Economic Committee (IJEC) Meeting which began Thursday 7 November and was attended by 200 prominent Japanese and Indonesian businessmen.

According to the Trade Minister, the SGS's presence in the system for servicing a smooth flow of both imports and exports, in accordance with Presidential Instruction 4/1985, is considered very important in the trade sector. Through much criticism is addressed to the SGS, shortcomings on the part of exporters in the field are often noted.

He said that sometimes exporters only hear about the SGS's work without really looking at the facts in completing the established procedure. It is as though the SGS's presence is viewed as the major cause for export activity. "Yet I'm also finding that most of our own exporters do not properly fill out the forms. This makes it difficult for the SGS to issue Inspection Verification Reports [LPK], said Rachmat Saleh.

The government will continue granting full authority to the SGS and promoting the system for a smooth flow in the traffic of goods and documents. The Trade Minister said that based on Presidential Instruction 4/1985, "I'm hoping that the system the SGS has been using since April 1985 is the best system for ensuring a smooth processing of documents and in- and outflows of goods through both sea and airports.

Many Challenges

In connection with efforts to improve economic relations with Japan, Rachmat Saleh said that the two countries would face many challenges. In a 1984 meeting he advised that Japanese and Indonesian businessmen quickly bring about concrete action for further enhancement of mutual goals.

INDONESIA

LEGAL AID INSTITUTE, GOVERNMENT ALIENATION DESCRIBED

Jakarta TEMPO in Indonesian 9 Nov 85 pp 63, 64

[Text] The Legal Aid Institute [LBH]--now 15 years old--continues to advance in age. But its relationship with the government grows further apart. Is a change in its style of leadership in order?

Commemoration of the 15th anniversary of the Foundation for the Legal Aid Institute, [YLBHI] was marked by further estrangement with the government. This impression was felt more keenly because the Indonesian State Police chief delayed giving permission for the LBH's National Consultation Meeting in Rantauprapat, North Sumatera--causing the opening ceremony to be postponed after the participants were at the meeting place. As a result, of the some 200 guests present at the meeting before 9:00 a.m., on time according to the schedule, only half were remaining by noon, when the meeting was actually opened by T. Mulya Lubis, Chairman of the YLBHI.

The foot dragging regarding the permit for the national meeting, 24-28 October, which was to be the climaxing ceremony of the LBH anniversary, was felt from the beginning. It was said that the organizing committee had submitted the request for permission to hold the program 40 days in advance. But the permission was not issued until the final days. Only the day before the meeting, 23 Oct, did the Minister of Justice give his approval, and the Chief of Police issued the permit that same day.

Happy Wicakosomo, a member of the Jakarta LBH who received the permit could not fly to Medan until the next day. He only arrived in Rantauprapat in the middle of Thursday night, 24 October. Meanwhile, Mulya Lubis, having obtained the assurance that the permit would be issued, planned to open the ceremony that Thursday morning. But the Chief of Police of Labuhan Batu, Lt. Col. (Pol.) A. Tambunan, denied Mulya's wishes because he had not seen the written permission. The situation grew tense between Mulya and Tambunan at that point. "Don't you believe me?" asked Mulya.

It was not that Tambunan did not believe him, but he did not seem to be convinced. He checked it out by telephoning the State Police Headquarters. It turned out to be true. As a result, the meeting could still proceed at 12:00 noon, even though the permit did not arrive in Rantauprapat until midnight.

The problems associated with the permission question later became a matter of criticism from the members at the meeting for the LBH leadership. When the meeting discussed "Strategies for developing the LBH," for example, Rahardja Sinulingga, a delegate from the Medan branch, criticized the practice of the Foundation's central leadership of issuing strong statements against government policies. Rahardja said that this style of leadership has narrowed and restricted the LHB's space to work in. Therefore, he asked that the Foundation be willing to change its modus operandi. "Remember," he said, "The LBH's mission is to protect the weak and not to play politics."

Kamaluddin Lubis, the Director of the Medan branch of the LBH, supported his branch member's criticism. He was even worried that the government would dissolve the LBH if the Foundation's leadership style were to continue on as it had in the past. The results, according to Kamaluddin, would not only impact the center of the Foundation but also the provinces. "If that were to happen," he added, "the people hurt would not be the LBH leaders--they could open their own law practice--but rather the people who would lose a place where they could bring their problems."

The YLBHI administration's strong positions had certainly caused problems for itself on several occasions. In addition to the problem of permission for the National Consultation Meeting, the government of the Special Capital Region [DKI] of Jakarta has discontinued its aid to the Jakarta LBH, even though since its inception--it is the oldest LBH in Indonesia--the regional government had been the major donator to the institute. Other than for reasons of budget restraints, the DKI Government did not give any further explanation for discontinuing its annual 30 million Rupiah in aid.

Foundation Chairman Mulya Lubis acknowledged that his statements regarding the government might disrupt the LBH's development centrally as well as regionally. But he did not intend to change his ways. He said that the reason was because of the multitude of incidents to which the LBH had to react, as a matter of principle. "For example, the matter of the mysterious shootings: Does the LBH consent to the people being shot without due process of law?" he asked.

Mulya also strongly denied that his statements were political moves. However, he admitted that his actions had political implications. "This is a question of sustaining the law, which is our duty," he said. He preferred even to withdraw from the Foundation if the meeting decided that the LBH would no longer issue statements in response to government policies. "For me, the truth, even though bitter, must be expressed."

It turned out that the LBH National Consultation Meeting did not agree with Mulya. In the end, the committee which considered the question drafted a recommendation that the LBH be able to adapt to political developments. It was also decided that the institute, which currently has 12 branches and 4 representative offices, restrain itself from becoming very involved with cases "smelling of politics." "The reason is that the LBH's mission is to protect the weak. The problems involving the little people are more often in the

social, economic, and legal arenas than the political," commented one source. In the committee led by Mulyana W. Kusumah it was even recommended that approaches or statements against the government could no longer be made personally by the LBH administration, but collectively, after being discussed with the branches. In doing so, will the LBH return to the poor, as was its original purpose.

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CSO: 4213/54

INDONESIA

'UNDISBURSED DEVELOPMENT FUNDS' SYSTEM DISCONTINUED

Discontinuance as of 1986-87

Jakarta MERDEKA in Indonesian 8 Jan 86 pp 1, 11

[Text] Jakarta, 7 Jan 86, MERDEKA--In fiscal 1986-87, the government will no longer use the SIAP (undisbursed development funds) system. If there are unused budget funds for an incomplete project, the technical department involved must resubmit the budget for the next year.

J.B. Sumarlin, MENPAN [as published] [minister of state for administrative reform]/chairman of BAPPENAS [National Development Planning Board], stated this in response to a press question at a meeting with mass media editors from all over Indonesia at the Department of Information last Monday night [6 January]. "SIAP actually came about because technical departments often made inadequate preparation for the submission of their DIP's [project lists]," he said further.

As a result, time was needed to correct or complete them. Thus, by the time PO's [operational instructions] were issued, the lead time had been lost. "In order to avoid such problems, DIP's and PO's for fiscal 1986-87 must be completely submitted by 1 March 1986," he stated emphatically.

Using such a procedure, it is hoped that PO's will be approved by the DITJEN [Directorate General] of the Budget by the first week of April 1986. If the preparations mentioned above are not completed on time, they must be repeated next year.

As an economy measure throughout all technical departments, the construction of office buildings for which budget submissions are not ready must be postponed. "If construction indeed is to proceed, completion dates must be postponed. If necessary, I ask that construction stop altogether," said the BAPPENAS chairman, laughing.

In addition, teams existing in technical departments for drafting operational regulations must be abolished. "There is no further need for them," he commented. "Give their work to the project managers."

Selective Exceptions

Jakarta SUARA KARYA in Indonesian 10 Jan 86 p 1

[Text] Jakarta, SUARA KARYA--SIAP totals for 1984-85 and for 1985-86 up to next 31 March are expected to reach 2.5 trillion rupiahs. Of that total, DIP's amounting to 1.7 trillion rupiahs must be resubmitted.

According to J.B. Sumarlin, minister of state for national development planning/chairman of BAPPENAS, part of the SIAP will be carried over selectively to 1986-87 by emphasizing projects that support equalization and expansion of job opportunities. Some SIAP funds certain to disappear include those for working conferences, symposia, and management teams.

It is estimated that by next 31 March there will be 5,000 to 6,000 DIP projects still incomplete. Delays are occurring in nearly all sectors. In each fiscal year there are about 5,000 DIP's, 30 percent of which result in SIAP. Causes for this include delays in getting land rights, incompetent project management, and late receipt of PO's at projects.

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CSO: 4213/93

INDONESIA

PREDICAMENT OF STATE-OWNED TIN COMPANY DESCRIBED

Jakarta BUSINESS NEWS in English 7 Feb 86 pp 3, 4

[Text]

President Director of the state-run tin mining company PT Tambang Timah Soedjatmiko said that 1986 is a most unfavourable year in which the price of the white metal could drop drastically. It sank from US\$ 16,500 per ton in 1981 to US\$ 7,000 on February 6, 1986, on the Penang/Kuala Lumpur market.

The price of tin is being kept at very low levels in a frantic attempt to meet the necessary cashflow of tin producers in Kuala Lumpur, while price quotations at the London Metal Exchange were still unavailable. If the quotations are still not available at the LME, the management board of the Indonesian tin mining company was confident that there will always be other markets.

It is therefore clear that until there is a representative market serving as reference, it would be very difficult for tin dealers to fix reasonable prices.

It was estimated that the pressure resulting from the present large stocks would be overcome only in the next 2 to 3 years. The low tin prices in the next 2 to 3 years will inevitably cause a drop in foreign exchange earnings and tax revenues for the state, Soedjatmiko told a Parliamentary hearing in Jakarta Thursday morning.

The International Tin Council continued to have talks with bankers & brokers, and held continuous emergency sessions. But it is not known yet whether the long and intensive deliberations have borne any fruits.

For the time being, however, people are generally of the view that the price of tin will continue to drop until production decreases, which eventually lead to a shortage. This would constitute the right time to reduce the present large tin stocks.

But it is hard to determine with fair accuracy at what stage world tin production will drop to a reasonable level, and who is supposed to do this.

"The important thing for us is promoting the resilience of the company by maximizing efficiency," he added.

The burden of PT Tambang Timah in the current year will be a heavy one, and it will be heavier in the coming years in view of the diminishing reserve funds used to cover the shortage in cash flow. Sales were at first geared to a possible free market, but it appeared that the International Tin Council continued imposing export restrictions making it necessary to adjust the 1986 sales volume to Indonesia's quota granted by the ITC.

PT Timah's capital structure mainly consists of 18% in paid-up equity, 47% in reserve funds, 31% in the undistributed remainder of the profits and 4% in loans.

One effective way the company could take would be maximum control of spendings, and improvement of productivity both of the hardware and software of the tin mining company.

In this way, especially in a situation in which the price of tin is predicted to keep falling in the next couple of years, PT Timah can still hope to be in a reasonable financial position.

PT Tambang Timah, currently employing 29,446 people, has no plans for a lay-off, and it is even introducing a new remuneration system (raise in wages).

INDONESIA

LOAN INTEREST RATE FOR STATE-OWNED ESTATE LOWERED

Jakarta BUSINESS NEWS in English 7 Feb 86 p 6

[Text]

The Indonesian government has decided to lower the loan interest rates for state-run plantation companies (PT Perkebunan) from 16% to 12%, while the period of the repayment of the loan has been rescheduled from 10 to 13 years, and could be even longer, Minister of Agriculture Achmad Affandi announced last Monday.

The announcement is also linked with the briefing on the case of PT Perkebunan IV relating to the Tor Gamba plantation in North Sumatra.

Minister Achmad Affandi said the government's policy with regard to the bank credit of PT Perkebunan came as a relief to state-run plantations in general, because the decision will enable them better to boost productivity and business efficiency in living up to the Three-Point Dedication in the plantation field covering among other things the boosting of nonoil exports.

TOR GAMBA ESTATE : PT Perkebunan IV several years ago undertook the expansion of an oilpalm estate in Tor Gamba on about 46,000 hectares of land funded with a bank loan at a 16% annual interest rate, considering that the price of crude palmoil was favourable at that time, ranging from US\$ 600 to US\$ 700 per ton. In 1984, the price even reached US\$ 800.

The relevant feasibility study of the expansion project was prompted by the estimate that the price of crude palmoil

(CPO) stood at US\$ 500 per ton, despite the fact that the loan interest rate involved stood at 16% per annum.

In the meantime, as the result of the world economic recession, the price of CDO from early 1985 till the present time stood as low as US\$ 270 per ton. The fall of the price took place just at a time when PT Perkebunan IV had to pay its loan including the interest. The 1985 interests reached approximately Rp 12 billion and would stand at Rp 17 billion in 1986. It will continue to increase in the years to come.

The state-run plantation company ran into financial difficulties since 1985, and in trying to keep the company on its feet the government, in this case the minister of agriculture, on behalf of the shareholders suggested three alternatives viz. to ask the lending banks concerned to lower the interest rate and reschedule the repayment period, to have government capital take part in the undertaking, or to have the company establish a cooperation (joint venture) with National private companies, but only with regard to the Tor Gamba estate.

Under the current world economic recession, however, making the right choice has been rather difficult. But following an intensive and long study, the government has finally decided on February 3, 1986, to take the first alternative, namely lowering the interest rate to 12% and the period of loan repayment rescheduled for the time being from 10 to 13 years.

In addition, the government also decided to proceed with establishing joint ventures between the plantation company and private businesses.

These government measures also apply to other state-run plantation companies.

/13104
CSO: 4200/758

INDONESIA

ONLY 2 PERCENT OF AVAILABLE FARM CREDITS ISSUED

Jakarta KOMPAS in Indonesian 7 Jan 86 pp 1, 8

[Text] Jakarta, KOMPAS--Less than 2 percent of farm enterprise credits (KUT) were used in the 1985 planting season. The government had made available 21.6 billion rupiahs in a framework of credit for rice and secondary crops, but only 403.5 million rupiahs, or 1.868 percent, were expended.

The number of village unit cooperatives (KUD's) involved in the new type of credit, which replaces BIMAS credits, also dropped sharply. Of the 1,194 KUD's eligible for channeling credit last year, only 57 participated, and those 57 KUD's represented only 8 of the 26 provinces included in KUT.

Engr H.L. Gaol, ASMENKO [assistant coordinating minister] III for EKUIN [economics, finance, and industry], supervision of the production and distribution of farm products, and population issues, revealed these facts in his office in Jakarta on Monday [6 January].

Gaol put forth several reasons for the low realization of KUT. Among the reasons was the late dissemination of information to KUD managers and farmers through the educative system. The educative "safari" to several provinces during the middle of August last year found KUD managers who had not heard of KUT credit facilities. This was in spite of the fact that KUT, as a replacement for BIMAS credits, which were abolished on 31 October 1984, had begun in April 1985 for the 1985 planting season. Another reason was the caution of farmers and their KUD managers toward accepting innovations, thus delaying their absorption into the process.

To Moneylenders

Gaol said the amount of credit issued and the number of KUD's involved in channeling the credit are determined by applications submitted by farmers through farmers groups. The channeling of KUT is not done massively, as was the case under BIMAS/INMAS [Mass Guidance/Mass Intensification] credits, but is done in response to requests from individual farmers. Farmers submit applications for credit to the Indonesian People's Bank [BRI] through KUD channels. KUD's then submit them to the BRI.

Gaol sees a possibility that farmers do not utilize KUT either because they do not want to be bothered or because they do not know about it. Also, it is

very possible that farmers are snared by moneylenders, because dealing with moneylenders requires no effort on the part of the farmers.

Nevertheless, Gaol hopes that farmers and KUD managers will use KUT because of its very low interest, only 1 percent per month. By contrast, the interest on Village Enterprise Credit (KUPEDES) is 18 percent per annum.

1985-86 Credit

For the 1985-86 planting season, the government has made available credit totaling 38.4 billion rupiahs, to be channeled via 956 KUD's, for rice and for 504,925 hectares of secondary crops.

As of 30 November 1985, credit channeled for the planting season lasting from October 1985 to March 1986 totaled 238,742 million rupiahs, or 0.62 percent, covering 3,853 hectares of rice and secondary crops. Of the KUD's involved, 10 were in South Sumatra, 2 in North Sumatra, 7 in Aceh, 3 in Central Java, and 2 in West Java.

Arrears

Of the 115.9 billion rupiahs in delinquent payments on mass credits as of 30 June 1981, 57.6 billion rupiahs remained unpaid on 31 October 1985.

Of those 115.9 billion rupiahs, delinquent BIMAS/INMAS credit arrears made up 98.4 billion rupiahs, of which 50.7 billion rupiahs remained outstanding as of October 1985. Arrears on food procurement totaled 5.998 billion rupiahs at the beginning of July 1981, and 3.673 billion rupiahs now remain unpaid. Delinquent credits for warehouses and drying floors amounted to 3.475 billion rupiahs in July 1981 and now total 483.5 million rupiahs.

Unpaid new mass credits from 30 June 1981 to 30 June 1984 totaled 134.4 billion rupiahs, and only 5.3 billion rupiahs had been paid by October 1985.

That amount was made up of delinquent BIMAS credits of 76.2 billion rupiahs, peoples fishery credits of 39.7 billion rupiahs to support fishing boat crews following the ban on trawl nets, other peoples fishery credits of 3 billion rupiahs, TRI [Smallholder Sugarcane Intensification] funds totaling 3.5 billion rupiahs, and food procurement of 3.6 billion rupiahs.

The largest delinquencies are in West Java, where they total 30.742 billion rupiahs. In East Java they total 19.3 billion rupiahs; in Lampung, 11.6 billion rupiahs; in North Sumatra, 11.2 billion rupiahs; in Central Java, 5.8 billion rupiahs; in Aceh, 9.3 billion rupiahs; and in West Nusa Tenggara, 6.7 billion rupiahs.

6942

CSO: 4213/93

BULOG SUSTAINS LOSSES STOCKPILING FOOD

Jakarta ANTARA NEWS BULLETIN in English 7 Feb 86 p A12

[Text] Piling up of food stockpile stored by the National Logistics Board (Bulog) has caused losses to the food board among others in the form of interest rate burden and the lowering of quality.

Head of Bulog Bustanil Arifin disclosed that at a working session with the House Budgetary Commission at Senayan parliamentary building here Friday.

The interest rate of credit gained by Bulog until December 31, 1985 amounting to Rp 1,646 billion was Rp 74.88 billion or an average of Rp 8.30 billion per month.

In addition to the interest rate burden, Bulog was also sustaining loss of quality which made the selling price of Bulog rice far lower compared with the base price.

Bustanil has regarded the government readiness to accommodate the buffer stock of one million tonnes and maintainance cost of Rp 17.4 billion in 1986/1987 as much help to Bulog.

The development of rice production in Indonesia in the last two to three years had shown an increase, whereas consumption showed a decline which triggered off an absolute surplus in addition to the seasonal surplus.

Bustanil emphasized that though Indonesia has been self-sufficient in rice production, the government would not change its policy to house the surplus provided it meets the quality requirement standard.

In purchasing the rice, Bulog does not buy it directly from farmers instead of through Village Unit Cooperatives (KUD).

As from this year KUD is obliged to buy rice sold by farmers with whatever quality, Bustanil said.

He also said that starting from this year the government would launch a crash program for post harvest infrastructure.

Bulog, according to Bustanil, in carrying out its business activities was always striving to unit either loss or and gain. But in such commodities as soybean cake, soybean, fish flour and glutony rice it does not earn a fair profit.

The adequate profit was aimed at stabiling the price throughout the year and raising funds for investment in such projects as construction of building and for buying vehicles which to date was not financed by the government.

Especially for the selling of wheat flour, Bulog was deliberately increasing the price gradually aimed at decreasing the subsidy of wheat.

/13104

CSO: 4200/759

INDONESIA

FOOD PROCUREMENT IN 1986 EXPECTED TO INCREASE

Jakarta ANTARA NEWS BULLETIN in English 7 Feb 86 p A6

[Text] Food production in 1986 will still show an increase, although not as big as in previous years.

Domestic food procurement in the form of hulled and unhulled rice is estimated to reach two to 2.5 million tons, Bulog (National Logistics Agency) Chief Bustanil Arifin pointed out at a working meeting with Commission VII of Parliament here Thursday.

Although the government will not raise the basic price of unhulled rice this year, the basic prices of second crops and of fertilizers are still expected to have a positive impact on the food production increase, he said.

It is hoped that the price of food will not suffer from big fluctuations, because the increase in consumption is expected to remain relatively small.

Apart from that due to the still high bank interest rate, private enterprises and cooperatives will not hold their stock back, so that big rice supplies could be taken up in the national food reserves.

Because of the increase in domestic food procurement in 1986 to 2.5 million tons, the stock controlled by BULOG will be capable to meet domestic requirements.

Food production in 1985 was favourable, so that rice production in 1985 reached 26.32 tons.

The national reserve stock controlled by BULOG until September 1985 was around 3.5 million tons, which surpasses the current requirements.

Import policy

The import policy is an additional policy and not the basic policy for rice as well as for other agricultural commodities.

Import of wheat has still be maintained, while that of sugar has been discontinued since 1984. Import of soy-beans has to be adjusted in accordance

with the increase of domestic production. If demands could be met, import would immediately be discontinued, Minister Bustanil Arifan said.

The national food reserves is considered still necessary, because the self-sufficiency which has been achieved, is still unstable.

From the 1986/87 national budget, the government has allocated some Rp 417 billion for purchases for the national food reserved, Bustanil Arifin said.

/13104

CSO: 4200/759

20 March 1986

INDONESIA

C-235 TEST FLIGHT REPORTED

Jakarta ANTARA NEWS BULLETIN in English 7 Feb 86 pp A7, A8

[Text] Minister for Research and Technology Dr. Ir. B. J. Habibie Thursday observed a try-out of an Indonesian-built CN-235 plane at Kemayoran airport here.

During the inspection Minister Habibie also monitored the flight through a computer at the try-out centre.

A similar was conducted simultaneously in Jakarta and Madrid, Spain to find out whether the plane meets the standard set by the Nusantara Aircraft Industry (IPTN) in Bandung and Cassa of Spain, Habibie told reporters.

Those included in the try-out were the hydraulic system, the electric and control systems, pressure and the capability of the plane.

Another try-out will be conducted by a team from the directorate general for air communications, Habibie disclosed to the newsmen.

An airworthiness certificate will be issued after a minimum of 400 flying hours whereas CN-235 had obtained only 260 flying hours.

Even after CN-235 obtains an airworthiness certificate, it still has to undergo another test by FAA (Federation of American Aeronautics) if it wants to be sold there.

As Indonesia has not yet had a bilateral agreement in airworthiness with the US, IPTN will do it through Spain who already has such a cooperation with the US.

The try-out Thursday involved 120 people, all of them Indonesians and half of them engineers.

Saudia Arabia, first buyer

IPTN has so far succeeded in selling six of CN-235, four to Saudi Arabia and two to Jordan.

The planes for Saudi Arabia will be sent in May and those for Jordan will be sent before the end of 1986 at the latest.

At the moment IPTN is carrying negotiations in order to sell more of its products to Korea, Japan and Malaysia.

The company will be able to get its investment back when it has sold 300 planes of CN-235 types.

Indonesia should acquire advanced technology to prevent other countries from controlling its technology, industry and trade, Habibie stated.

With regard to this Indonesia has built nine agencies for the development of technology such as IPTN and PT PAL (Indonesian ship building company) in Surabaya.

IPTN, he said, brings with it the benefits for researches, education and the government.

/13104

CSO: 4200/759

INDONESIA

OTHER COUNTRIES' ATTITUDES TOWARD TRANSMIGRATION DESCRIBED

Jakarta ANTARA NEWS BULLETIN in English 4 Feb 86 pp A1, A2

[Text] Min. Martono: There are positive and negative views on transmigration program

Minister of Transmigration Martono has stated that today there are positive and negative views abroad on Indonesian transmigration program.

The minister stated this at a hearing with the House of Representatives (DPR)'s Commission IV led by its chairman Warno Hardjo here Monday.

Minister Martono explained the positive view supports the implementation of the transmigration program while the negative view mostly criticizes it.

The manifestation of the positive view, the minister went on to say, is found in the participation of international institutions, both under the auspices of the United Nations and beyond and several friendly countries in the implementation of the transmigration program.

Such a participation has been taking place since the '70s decade, he added.

On the other hand, the negative view began to emerge in the last three trimesters, mostly from certain individuals and international organizations such as the Amnesty International and the organization active in international environment preservation.

They spread rumors stating the transmigration program in Indonesia is carried out by neglecting the humanity aspects, ruining the environment and the cultural value, especially in East Timor and Irian Jaya provinces.

The rumors are intended to make supporters of the country's transmigration program stop or at least reconsider their aid, loan, credit or grant for the program, said Minister Martono.

In an effort to face the above-mentioned problem, the Transmigration Ministry has conducted meetings with ambassadors of friendly countries and other international organizations in Jakarta.

Officials of various countries have also been asked to take a close look at the transmigration sites and to conduct dialogs with those involved in the program so the officials will be able to obtain clear description on the transmigration program in Indonesia.

Answering the question of members of Commission IV (in charge of transmigration and agricultural issues), Minister Martono said aid from foreign countries for the program at present totalled US 6 million dollars.

Of the total, 60 per cent are credit and soft loan while the rest is a grant.

The aid is capable of supporting 20 to 25 per cent of the implementation of the program which covers among other things transmigration site provision, and transmigration managerial skill improvement.

The minister also expressed hope that in the fourth Five Year Development Plan (Pelita IV), the Transmigration Ministry will be able to carry out a successful transmigration program both in term of quality and quantity.

During the first year of the Pelita IV, of the target of 260,000 families to be resettled outside Java, only 28,803 families are left and they are expected to join the program next February and March, the Transmigration Minister added.

/13104

CSO: 4200/758

INDONESIA

SUDOMO ON SENDING OF FEMALE WORKERS TO SAUDI ARABIA

Jakarta SUARA KARYA in Indonesian 20 Dec 85 p 1

[Article: "1 Trillion Rupiahs Must Be Set Aside If Halt Is Called to Sending TKW"]

[Text] Jakarta (SUARA KARYA)--Should a halt be called to sending women workers (TKW) to Saudi Arabia, the government must set aside 1 trillion rupiahs to creat new job opportunities for them.

"At present, some 60,000 TKW are working in the homes of Saudi families. If they are going to be repatriated, the government must create job opportunities for them," said Manpower Minister Sudomo in response to a question from a participant in the National Conference of the Central Organization of Indonesian Independent Workers (SOKSI) held on Wednesday evening [18 December].

According to Sudomo, this is based on the formula that an investment of 1 billion rupiahs provides jobs for 75 workers.

The minister jokingly also asked conference participants not to be unduly prejudiced about cases of violence involving TKW working in Saudi Arabia. "For cases of a maid being raped, you don't have to look as far as Saudi Arabia. The same thing can happen in Indonesia," he said.

He admitted it was difficult to oversee an employer of an Indonesian TKW because the Indonesian government has no authority to do so.

The problems faced by TKW also relate to the customs of Saudi families. They are differnet from those of Indonesian families especially in regard to food and rest. "Workers often complain because dinner is served at 2300," Sudomo said.

More Stringent Regulation

The manpower minister now is preparing a more stringent decision on sending TKW to Saudi Arabia. Those who send workers overseas, especially TKW, must train them. With the issuance of this decision, it is expected that there

will be fewer TKW housemaids in the future. On the other hand, the number of nurses and trained TKW will increase greatly.

He admitted that the TKW who want to work in Saudi Arabia generally are village girls. On the average they come from poor petty farmer or farm laborer families.

According to the minister, TKW's departing for Saudi Arabia generally are more motivated toward performing a religious duty. They want to pay for their pilgrimage to Mecca by working in Saudi Arabia. They could not possibly obtain the 3.2 million rupiahs needed to pay for the pilgrimage by working solely in Indonesia.

6804/13104

CSO: 4213/77

INDONESIA

NU, MUHAMMADIYAH IN AGREEMENT FOR FIRST TIME

Jakarta KOMPAS in Indonesian 10 Nov 85 p 1

[Text] The national seminar of the "Muhammadiyah at the Turn of the Century" held in Solo, 6-8 November 85 recorded an important historical occasion for the moslem community. Two major religious organizations in Indonesia, the Nahdlatul Ulama (NU) and the Muhammadiyah, for the first time, forged a real bond of brotherhood for the first time. The general impression of NU has been that of an Islamic organization more inclined toward politics. Up to this time the NU has never "seen eye to eye" with the Muhammadiyah, an Islamic organization which moves in the social, educational and religious areas.

The head of the Muhammadiyah, KH AR Fakhruddin, expressed his happiness during the closing ceremony of the seminar Friday night 8 November in the Research and Development Center at the Muhammadiyah University of Surakarta (UMS). According to Fakhruddin, the presence of the NU Advisory Board Chairman Usuf Hasjim, who was also a speaker, represented the deepening ties between the NU and the Muhammadiyah, which the people have been longing for.

"God willing, the NU will join with or go arm in arm with the Muhammadiyah in the future," expressed KH AR Fakhruddin. He added: "If we can show to the people that differences in understanding need not alienate the two religious organizations, it will enhance our accord."

Yusuf Hasjim, leader of the center for the Tebu Ireng Islamic boarding school in Jombang, also appeared as a speaker in the seminar with the basic theme of "Seeking the Moslem scholar workshop model."

UMS Rector Muhammad Djazman, stated that the "Muhammadiyah at the Turn of the Century" seminar had brought together the Moslem intellectuals and scholars which until now have always been at sharp differences.

"Through this seminar, they, from both old and young groups, have met and had dialog because of pressures to find the means of resolving the problems they will be facing together at the end of the 20th century," added Djazman. He among other things indicated that the theme "nominal Muslims, devout Muslims and ulemas," mirrors the united aspirations of Islamic thinkers to respond to the problems that the Islamic people in Indonesia will face together.

INDONESIA

BRIEFS

NEW NU CAMPAIGNING RESTRICTIONS--Bandar Lampung, 20 December--Abdulrachman Wahid, chairman of the Nahdlatul Ulema [Muslim Scholars Organization] Executive Board, declared that, without exception, all NU members, including key officers, could be candidates in the coming general election for any of the three contesting parties: GOLKAR [Functional Group], the PDI [Indonesian Democratic Party], and the PPP [United Development Party]. When opening the congress of Gerakan Pemuda (GP) Ansor, NU's youth wing, in Bandar Lampung on Thursday evening [19 December], Abdulrachman Wahid offered this information as guidance taken from the NU Executive Board Guide. He also noted that NU members who became candidates of managers of the socio-political forces now active were permitted to campaign in the 1987 general election. "Of course, they must campaign in a 'highly ethical' manner," said the kiai [venerated scholar] who also is a cultured individual and a columnist. He added that NU members who compete for office with fellow members who are candidates for different socio-political forces "are especially required to conduct their campaigns in a highly ethical manner." Non-candidates in the next election and/or non-managers of socio-political forces participating in that election should not take part in any campaigning "because this could give the impression that the NU is still politically active," he added. According to Abdulrachman Wahid, the NU Executive Board Guide for political activity during the general election will be published soon. The guide will also clarify the ban on holding positions on the executive committees of both the NU and any of the three socio-political forces. This decision becomes effective at the provincial leadership level on 10 January 1986 and at the branch level on 10 January 1987. It was also decided that heads of Islamic boarding schools, Muslim missionaries, and preachers in the NU sphere who do not become candidates in the general election are not to be requested to campaign in that election since they must serve all the people. Members of the NU subdistrict and branch executive committees also are not permitted to be commissioners for one of the contestants in the general election. This ruling has been instituted to guard against the NU becoming directly involved in politics. [Text] [Jakarta SINAR HARAPAN in Indonesian 20 Dec 85 p 1] 6804/13104

NU YOUTH ADOPT PANCASILA--Bandar Lampung, 23 December--As expected, Dr Slamet Effendi Yusuf (age 36) was convincingly elected general chairman of the Gerakan Pemuda (GP) Ansor for the period 1985-89 in a direct election held on Sunday evening [22 December] in Bandar Lampung. In addition to electing its

leadership and organizing its agenda for the coming period, the GP Ansor Congress also amended its articles of association to take into account the decisions contained in Law No 8 of 1985 concerning mass organizations. Paragraph 2 of the articles of association, which initially stated that the GP Ansor was based on Islam, was changed to, "The Ansor Youth Movement is based on Pancasila." [Text] [Jakarta SINAR HARAPAN in Indonesia 23 Dec 85 p 1] 6804/13104

TRADE SURPLUS--Indonesia recorded a surplus of US\$669.6 million in international trade in November 1985, according to data collected by the Trade Ministry. Indonesia's exports earnings in November last year amounted to US\$1,739.3 million, composed of US\$1,261.5 million from oil/gas exports and 452.8 million from exports of commodities other than oil and natural gas. Expenditures Indonesia made for importing commodities in November last year totalled US\$1,044.7 million, comprising US\$92.3 million for oil imports and US\$952.4 million for imports of non-oil/gas commodities. Thus Indonesia's export revenue in November 1985 was US\$669.6 million bigger than its import expenditures in the same month. Indonesia's imports in November 1985 mainly consisted of capital goods and basic materials. [Text] [Jakarta ANTARA NEWS BULLETIN in English 8 Feb 86 p A8] /13104

BETTER UNDERSTANDING OF TIMOR--The international society has now grown to realize that East Timor is already fully integrated into Indonesia and that the development programs in the province have so far been carried out well, Indonesia's ambassador to the United Nations, Ali Alatas, said to the press following his meeting with President Soeharto here Saturday. East Timor is no longer a problem for the international world, he stressed referring to the fact that the U.N. had delayed discussion on the matter for three times. However, he admitted that some countries in the U.N. and a few international bodies still have the wish to discuss the problem. To them we continuously present the facts about the province every year, he added. He hoped this problem of East Timor will not enter into the agenda of the next U.N. meeting. [Text] [Jakarta ANTARA NEWS BULLETIN in English 8 Feb 86 p A8] /13104

TEXAS EASTERN OIL SEARCH --Texas Eastern Incorporation will conduct an exploration at Bawean Block, off shore East Java to find oil and natural gas, H.B. Sallee, general manager of the oil and natural gas mining in Jakarta told ANTARA here Friday during a visit to East Java Governor Wahono. Bawean Block is located at the northwest of the oil mine of Kodeco Counterport Pertamina and Korean which was opened by President Soeharto several months ago. If the first exploration carried out this month opens the possibility for further development, the company will begin drilling at two oil wells next April. East Java with its oil potentials will progress if investors are willing to follow what has been done by Kodeco, Governor Wahono stated. Wahono made a promise to give assistance to the success of the exploration by Texas Eastern. [Text] [Jakarta ANTARA NEWS BULLETIN in English 9 Feb 86 p A6] /13104

20 March 1986

INVITATION TO VIETNAM--Jakarta, 8 Jan 86, MERDEKA--On Wednesday morning [8 January] at the office of DPR [Parliament] Chairman Amirmachmud, Vietnamese Ambassador to Indonesia Tran Huy Chong presented an invitation from the chairman of the Vietnamese Parliament to DPR Chairman Amirmachmud to visit Vietnam in 1986. In his courtesy call, the Vietnamese ambassador said the objective of the invitation was to strengthen close cooperation for the purpose of increasing mutual understanding between the two countries. Amirmachmud stated in his response that recent relations between Indonesia and Vietnam appear to have gone smoothly. He said this has been evident in visits of Indonesian officials to Vietnam, like the one by PANGAB [Armed Forces Commander] L.B. Murdani and those by specialists, academicians, etc. Another development that has significance in strengthening these bilateral relations is the assignment of a Vietnamese military attache to Indonesia. Vietnam, according to the DPR chairman, had a part in laying the foundation of the 10 Principles of Bandung during the regime of Ho Chi Minh. If these 10 Principles are held firmly by the nations of the world, especially in refraining from intervention in the affairs of other states, it is certain the world will be at peace. [Text] [Jakarta MERDEKA in Indonesian 9 Jan 86 p 11] 6942

CSO: 4213/93

20 March 1986

LAOS

CHAMPASSAK PARTY CHIEF DESCRIBES SECURITY, ECONOMIC GOALS

Vientiane PASASON in Lao 6 Jan 86 p 2

[Article by Sounthon Thep-asa, member of the Party Central Committee and secretary of the Champassak provincial party: "Implementing the Two Strategic Duties of Champassak Province"]

[Excerpts] In implementing the first strategic duty over the past 10-year period of defending the nation and their own locality, the party committee and the provincial party committee of Champassak have firmly cooperated with the mass organizations and each agricultural co-op unit. This is the political duty of all the people, to mobilize, organize, guide, and raise the consciousness of the masses and to defeat and dismantle the enemies' destructive schemes, resulting in peace and stability throughout the province.

In carrying out their duties in development, for example, in agricultural production where the goal of the agricultural co-op of the province is to be self-sufficient in terms of the food supply, thus raising the standard of living of the people, and fulfilling their obligations to the government, the party committee and the provincial administrative committee have combined agricultural production and agricultural transformation by mobilizing the farmers to join the socialist collective style of living step by step, making intensive agriculture a primary method for raising production and for increasing the income of the farmers and co-op members. This is to be a starting point for building and steadily improving the co-ops.

The achievements and victories obtained on the agricultural battleground have enabled Champassak Province to build 645 agricultural co-op units including 250 strong ones, 213 medium-strong ones, and 182 weak ones. The ones that are strong are not so because of the nature or level of the people but because of the co-op board of directors and especially the co-op leaders who guided and managed effectively and who knew how to use the three revolutions. The reason for the existence of weak ones is because the management, guidance, and use of the three revolutions has not yet been done efficiently. The plan for the future is that by 1990 the number of co-ops will increase to 800 units in which we must try to have 600 units with quality by training 2,500 guidance cadres, managerial cadres, specialized task cadres, and technical cadres, i.e., training them on the job.

Meanwhile, there has been extensive expansion in industrial tree-growing, for example, the coffee-growing area has increased from 11,000 hectares in 1981 to 15,000 hectares in 1985, and the harvest will yield 4,500 tons in 1986. In 1990 the coffee cultivation area is expected to be 20,000 hectares and the harvest is expected to be 7,000 tons of coffee. The cardamon cultivation area has increased from 1,300 hectares in 1984 to 1,700 hectares in 1985 as planned. In 1990 it will be increased to 5,000 hectares for which the yearly harvest will be 150-200 tons. In 1984 alone 84 tons of cardamon were purchased. Besides coffee and cardamon cultivation, they also grow sugar cane for sugar; there are now 92 hectares, and they will try to make it 1,000 hectares in 1990, which will yield a production of 400-500 tons of sugar.

9884/12913

CSO: 4206/62

LAOS

TRANSPORT OFFICIALS INSPECT CONSTRUCTION OF ROUTE 8

BK020716 Vientiane Domestic Service in Lao 1400 GMT 26 Feb 86

[Text] Recently, a team of technicians of the Ministry of Transport and Posts, led by Deputy Minister Khamlouat Sitlakon, made an inspection tour of the construction of Highway Route 8 from the Phou Ngo junction to Keo Neua on the Lao-Vietnamese friendship border, which is 131 km long. The highway has been constructed with energetic assistance of workers from neighbouring Vietnam attached to Construction Unit 245 and four bridge and road construction companies attached to the SRV's Ministry of Transportation and Communications.

From this inspection tour, the officials were able to correctly appraise certain favorable and difficult conditions facing the construction work and the enthusiastic spirit of the workers who are rich with experience in carrying out their work. During the field inspection, Deputy Minister Khamlouat Sitlakon and his team visited and chatted with the workers at those construction units to explain certain points that would enable the construction work to go on smoothly to meet the targets outlined by the ministries concerned in the two countries.

/9274
CSO: 4206/75

LAOS

WATER TRANSPORTATION CAPABILITIES DESCRIBED

Vientiane PASASON in Lao 7 Jan 86 p 2

[Article by Somphong Choulamani, assistant chief of the Board of Directors of the Water Transportation Company of the Ministry of Transportation and Posts: "Navigation Is Making Progress"]

[Excerpt] Water transportation is an important task which has been given serious attention by the center and by the Ministry of Transportation and Posts. This has built an increasingly good and strong foundation for our Lao water transportation to grow extensively and to be effective and increasingly modernized.

In 1976 the Water Transportation Company had only two boats. Now it has 17, including 14 river freighters which carry a total of 1,200 tons of goods per trip on the average, 2 passenger boats with 120 seats each made of wood, and a 22-seat passenger steel boat. There are also two modern barges which can carry 210 tons of goods per trip, trucks to lift goods, and transport trucks for the goods, and there is a fairly large number of workers who transport goods in and out of the port. Last year in particular the Water Transport Company was able to transport a total of 8,500 tons and served approximately 5,000 passengers. It can be said that up to now the Water Transport Company has been expanded from the old-fashioned vehicles with no guarantee and which followed the private sector so that it leads private navigation in transportation and steadily and effectively uses modern machinery in water transportation.

Although the drying out of the water in the dry season causes difficulties for navigation, this does not stop transportation and also the guaranteed safety on a normal basis.

9884/12913
CSO: 4206/62

LAOS

PHOUMI VONGVICHIT ATTENDS SOVIET ART PERFORMANCE

BK250440 Vientiane Domestic Service in Lao 0430 GMT 21 Feb 86

[Text] On the evening of 19 February, an art troupe of the All-Union Komsomol Central Committee of the Soviet Union staged a joyous performance at the club of the Army General Political Department. Present to view the performance were Phoumi Vongvichit, member of the LPRP Central Committee Political Bureau and vice chairman of the Council of Ministers; Mrs Thongvin Phomvihan, member of the party Central Committee and first secretary of the Lao People's Revolutionary Youth Union Central Committee; ministers; deputy ministers; senior military officers; and a large number of representatives of youths from various offices and organizations and officers and men attached to the National Defense Ministry.

The troupe's performance tour is intended to further strengthen the solidarity and cooperation between the Lao and Soviet youths. The spectators appreciated every art item and understood the development of socialist art and culture in the land of the great Lenin, the first land of socialism on our planet. The performance proceeded in an atmosphere of joy and enthusiasm amid applause from beginning to end.

/9274

CSO: 4206/75

LAOS

BRIEFS

SRV AID TO BOKEO HOSPITAL--Last year the medical cadres of Bokeo Hospital carried out their specialized tasks with determination in order to score achievements for the 10th anniversary of the LPDR. Comrade Khamkla of the committee responsible for the hospital told us that although there are a few cadres whose capability is limited, and, the supply of medicines and medical equipment and tools for the executive machinery has not yet kept pace with the demand, the committee has studied and related many ways to provide them to the hospital. For example, medical equipment, medicines, medical items, electricity, and an x-ray machine were obtained from Son La Hospital in Vietnam, in their twin province, which is valued at many thousands of dong. Medical cooperation between the Son La Province Hospital and the Bokeo Provincial Hospital is much better. This is confirmed by the figures for examinations and the number of patients treated in the hospital, resulting in increased patient confidence in our medical doctors. Many cadres sent in thank-you notes after they were treated. Superstition and the practice of sending patients elsewhere have decreased and have almost been wiped out. [Excerpt] [Vientiane PASASON in Lao 3 Jan 86 p 1] 9884/12913

XIENG KHOUANG ROAD, RIVER COMMUNICATION--Xieng Khouang Province has been able to score glorious achievements and victories in each phase. Communications and transportation were new after national liberation and have been improved to make things easier. During this 10-year period, both land and water communications have been expanded, especially land communications. Many routes have been changed, for example, Route 7, which goes past Sen, Kham, and Nong Het Districts, and Routes 6 and 4. This province is able to communicate by water with other provinces and between rural areas and districts by using the Nam San, Nam Mo, and Nam Nen Rivers as communication routes. [Excerpts] [Vientiane PASASON in Lao 7 Jan 86 p 3] 9884/12913

SWEDISH-AIDED FACTORY PROBLEMS, WAGES--Factory management is of a scattered nature and has not yet undergone comprehensive inspections on a normal basis. The managerial structure is not yet appropriate, and there are more workers than there is work itself. This is the old way of management, which delays the effectiveness of the implementation of the policies of the party and the government. We have carried out the four duties assigned by the higher authorities--guaranteed all types of Volvo repairs nationwide and for a number of state transport trucks; produced spare parts in order to decrease orders from abroad; continued construction to expand steadily the factories so that they can produce a lot; and trained the workers within the factories and in

other companies to be skillful in their tasks. We have some economic ties with related factories such as the Irrigation Construction Company, the Forestry State Enterprise, Oil Transport Company No 4, etc. The regulations for vehicle repairs and cleaning are stated in agreements. In terms of the standard of living, they have carried out the economic subsidy system according to the policies of the party and the government, for example, concerning salaries, wages, different subsidy funds, nurseries, kindergarten schools, medical doctors in companies, cafeterias, co-op stores, housing for bachelors and for families, and yearly garment and bus services for cadres. The factories have a treatment plan for when the workers get sick. For example, all sickness during production time will be treated; if the family is sick, with a doctor's confirmatin the factory will assist with 80 percent of the costs. [Excerpts] [Vientiane PASASON in Lao 7 Jan 86 p 2] 9884/12913

CSO: 4206/62

MALAYSIA

COMMENTARY REVIEWS VISIT BY PRINCE RANNARIT

BK211345 Kuala Lumpur International Service in English 0800 GMT 21 Feb 86

[Station commentary]

[Text] Prince Rannarit, son of Prince Norodom Sihanouk, the leader of the tripartite Coalition Government of Democratic Kampuchea, held talks with Malaysian leaders during his 2-day visit to Malaysia this week. The prince indicated that there are some positive signs of Vietnam's willingness to solve the Kampuchean crisis through negotiations. His visit to Malaysia coincided with the arrival in Hanoi of an Indonesian official mission that will prepare for the forthcoming visit of Dr Mokhtar Kusumaatmaja, the foreign minister of Indonesia.

Hopefully, Dr Mokhtar's mission will be the start of the long-awaited negotiations between ASEAN and Vietnam concerning the future governments of Kampuchea. Malaysian Government leaders have always considered a political solution as the ideal (?model) of ending conflicts in Kampuchea. The visit of Prince Rannarit has provided the Malaysian Government and people with realistic insight into the present situation and political rivalries involving Vietnam and its puppet--the Heng Samrin government. It is Prince Rannarit's perception that there is a growing rift between the Vietnamese and the Heng Samrin regime which they installed in 1979. A particular source of difficulty arises out of continuing defections from Heng Samrin armed forces. This new phenomenon is filling the ranks of the Sihanoukist Nationalist Army. There must be a very severe loss of morale which will pose new problems for Vietnam. The net result will be more economic burdens for the common people of Vietnam who are already shouldering enormous commitments because of their government's costly adventure in Kampuchea. Added to this is the pressure that China is exerting on Vietnam's northern border. It may well be that these developments and the Soviet Union's own serious economic problems are causing Hanoi's decision-makers to consider a speedy way out of their bungling and interference in Kampuchea.

It is a human dimension to the Kampuchean crisis that are often forgotten. No less than 240,000 displaced persons, as they are called, are languishing in camps close to the Thai-Kampuchean border waiting for the settlement of the Kampuchean crisis, meaning the withdrawal of Vietnamese forces from Kampuchea. Thailand is providing these unfortunate people with a safe haven, and over the past 7 years many have left for resettlement in Western countries. The loss of

so many individuals who could make a valuable contribution to the economic and social development of their own country in Kampuchea, is certainly a great tragedy. At the same time, one can associate the despair and frustration and the longing for security that has caused so many to leave. Vietnam alone has gained from this exodus of Kampucheans by taking advantage of the abandoned farmlands to resettle its own citizens. The international community realizes the importance of providing moral and material support for Prince Sihanouk's government which has been working and fighting for the goal of an independent and democratic Kampuchea.

Malaysia and its ASEAN partners will continue to support Prince Sihanouk's tripartite coalition government, while at the same time, they will consider any move on Hanoi's part for serious negotiations. Prince Rannarit's visit to Malaysia highlights Malaysia's goodwill towards and concerns for Kampuchea.

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CSO: 4200/744

MALAYSIA

MALAYSIAN KING CONGRATULATES AQUINO ON ASSUMING OFFICE

BK270413 Kuala Lumpur BERNAMA in English 0358 GMT 27 Feb 86

[Text] Kuala Lumpur, 27 Feb (BERNAMA)--The Malaysian king Thursday [27 February] congratulated Corazon Aquino on her assumption of office as president of the Philippines.

In his message, the king said, "The queen and I are thankful to God over the happy turn of events in the Philippines."

"We congratulate you on this very historic event and we would like to express our sincere friendship, our special good wishes and prayers for the continued wellbeing of your people and nation."

"The glory is to God alone," he added.

Prime Minister Dr Mahathir Mohamad conveyed a similar message to Mrs Aquino.

He offered warmest congratulations on behalf of the government and people of Malaysia.

He said: "We are gratified that the long and valiant struggle you and the Filipino people have waged, in your case with the tragic loss of your respected husband, has finally triumphed."

He said the Filipino people were at the threshold of fulfilling their aspirations and Malaysia would like to extend its fullest support in these undertakings.

Dr. Mahathir added: "We also extend to you and the Filipino people our sincerest friendship. It is our hope that Malaysia and the Philippines will be able to gather fresh impetus to examine various aspects of our relationship in the interest of even deeper friendship between us."

He said he looked forward to close personal acquaintance with Mrs Aquino in promoting bilateral relations between the two countries as well as in enhancing ASEAN's collective endeavours.

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CSO: 4200/744

MALAYSIA

COMMENTARY DISCUSSES CHANGES IN PHILIPPINES

BK271052 Kuala Lumpur International Service in English 0800 GMT 27 Feb 86

[Station commentary]

[Text] Malaysia and ASEAN member states have extended not only recognition but also their best wishes to the new head of state of the Philippines, President Corazon Aquino. She becomes, therefore, the first woman head of state in ASEAN. The Malaysian Government in its message of goodwill through the minister for external affairs, Tengku Ahmad Rithauddeen, has expressed the hope that cordial ties will prevail between Malaysia and the Philippines.

It was certainly a great relief to all states that are geographically close to the Philippine archipelago that the constitutional crisis into which the country was plunged after the presidential elections held this month did not deteriorate into a bloody conflict. If that had transpired, it would have been a severe setback, not only for Filipino society but for the security and well-being of ASEAN as well. In the event, a new order which represents the will of the people has now begun and hopefully normality will be speedily restored.

Ferdinand E. Marcos was first elected president in 1966. From September 1972 to January 1981, the Philippines was under martial law. The imposition of martial law was followed in 1973 by the ratification of a new constitution which adopted the semi-parliamentary system of government wherein the executive power was vested in the prime minister and his cabinet, and the legislative power in the national assembly. Presidential authority was strengthened by providing for powers of decree and long before the Aquino assassination there was opposition to rule by decree. Even when martial law was lifted, the executive power to rule by decree was retained.

Like all other developing nations, the Philippines is affected by the current world recession. Nearly one-third of the population is dependent on the export of coconut products. The market for this export has been severely affected by the recession, and falling prices have brought problems in their wake. So, too, with the production and export of sugar. The political uncertainty within the country also affected the economy adversely. The lucrative tourist trade was also badly hit.

With the beginning of a new political order, there should be scope for greater stability. In particular, the ASEAN connection will not only be preserved but probably strengthened.

Malaysia has very close and cordial ties with the Philippines in a number of spheres. There are close cultural affinities, too, between the people of Malaysia and the people of the Philippines. Both countries have an identity of outlook in respect of some international issues, such as disarmament, the North-South dialogue, better terms of trade for developing nations, and a neutral zone in Southeast Asia.

As a new chapter begins in the history of the Republic of the Philippines, the government and people of Malaysia send fraternal greetings to the new administration and the people of the Philippines.

/9274

CSO: 4200/751

MALAYSIA

MUSA'S ATTACK ON PAS PROPAGANDA VIEWED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 31 Dec 85 p 23

[Editorial: "Deputy Prime Minister Strikes Back PAS Propaganda"]

[Text] Speaking before a special convention of the Malaysian Indian Congress [MIC] the day before yesterday, Deputy Prime Minister Datuk Musa Hitam criticized the instigations stirred up by leaders of the Islamic Party [PAS] in Memali, Baling and held them responsible for the outbreak of a bloody incident there. The deputy prime minister's remark was the most vitriolic since the said incident.

It is generally predicted that the next general election will be held early next year. Today is New Year's Eve and the old year will have passed within the next few hours. During his speech at the MIC meeting, Datuk Musa Hitam stressed the differences between the United Malays National Organization [UMNO] and the PAS: The UMNO makes use of politics to gain political power and, through it, strives for religious benefit; on the other hand, the PAS tries to wrest political power through religion. Datuk Musa asked non-Malays and non-Muslims not to be easily carried away by PAS propaganda. His motive was clearly to persuade voters to avoid the PAS and to approach the BARISAN NASIONAL [National Front]. Although the date of the next general election has not been announced, Datuk Musa has fired the first shot in his campaign for his political party.

The Memali Incident was the first bloody incident with the largest number of casualties since the 13 May Incident in 1969. It evoked serious attention and strong reaction from the masses. The general public reacted in various ways, and many articles and pamphlets have been published since then, and it became difficult to discern fact from fiction. Obviously, all this served as a pressure against the government. The government has decided to air the videotapes shot live during the Memaling Incident over Malaysian Television stations this coming Friday to set the record straight and to avert the PAS from capitalizing on the issue in the coming general election.

The Memali Incident dealt our society a big blow, therefore Datuk Musa Hitam has called on Chinese and Indian communities not to stand idly by. He said that the PAS is bound to make good use of this issue and to wrest as many votes from the Malays as possible. If the PAS continued to restrict their

propaganda activities to the Malays as they had done before June this year, the Memali Incident would not make a big impact on the UMNO and even on the BARISAN. But now the situation has changed. Datuk Musa Hitam has chosen to launch a counterattack against the PAS at a meeting of Malaysian Indian Congress, a reflection that the UMNO is attaching great importance on the possible PAS influence on the Indian community in the coming general election.

After revising its strategy, the PAS has taken the initiative to contact Chinese society and to hold talks and discussions in order to express their standpoint and outlook. On the other hand, the Chinese are receptive to PAS approaches, so the latter have obtained a foothold, and this may play a role in the coming general election, a point which deserves attention of the UMNO and even the BARISAN.

As the public viewpoint and impressions of the PAS have changed, there are now more chances for various political parties to discuss mutual cooperation in the next general election. There has been a rumor that the Democratic Action Party [DAP] and the PAS may join forces. If this cooperation becomes a reality, this will be a threat to the ruling parties. It may be recalled that in the 1969 general election, the DAP and other opposition parties scored an understanding under which they agreed not to send out electioneering candidates in one and the same electoral district, with a commendable outcome. Surely the UMNO and its fraternal parties still remember this.

The Malaysian people are still sad about the 13 May Incident. Datuk Musa Hitam said that this incident was attributed to threats and challenges by extremist elements who capitalized on racist feelings; the masses were incited and instigated by those elements. By airing the videotapes of the Memali Incident, the government hopes the people will be able to see what inciting racism can bring as a consequence. We hope the government will succeed in this motivation, so that the PAS propaganda effort will be in vain and the cooperation among opposition parties will not be so formidable.

9300/12790

CSO: 4205/8

MALAYSIA

BERNAMA ON MUSA'S RESIGNATION AS DEPUTY PM

BK281049 Kuala Lumpur BERNAMA in English 1021 GMT 28 Feb 86

[By M. Govind Nair]

[Text] Kuala Lumpur, 28 Feb (OANA-BERNAMA)--It developed to a relationship described in Malay as "bagai isi dengan kuku," (like nail and skin) meaning virtually inseparable. But the political bond between Prime Minister Dr Mahathir Mohamed and Deputy Prime Minister Musa Hitam has unshackled itself. An unprecedented situation brought both men together as the country's No 1 and No 2 and yet another pulled them apart.

Dr Mahathir did not name his deputy after Hussein Onn retired as prime minister in 1981, breaking with the tradition set by Bapa Malaysia (father of Malaysia) Tunku Abdul Rahman when he picked (the late) Abdul Razak Hussein as his deputy. Razak in turn selected Hussein, and the latter Dr Mahathir.

It was the General Assembly of the United Malays National Organization (UMNO), the dominant partner of the ruling Barisan Nasional coalition, that chose Musa for deputy president of the party, and by implication deputy prime minister.

Musa's resignation as deputy prime minister, again, is unprecedented in the history of Malaysian politics.

Only months after assuming the posts of prime minister and deputy prime minister respectively, Dr Mahathir and Musa were seen as having been made for each other politically.

"The only thing I can say about our relationship is that we have been constantly in touch inside and outside the government," Musa had replied when asked once how he clicked so well with the prime minister.

One reason they were able to work well together probably lies in the fact that they have gone through the same experiences and had a similar background. Musa's political career had a parallel with Dr Mahathir's. He was dismissed as assistant minister to the deputy prime minister in 1969 by then Prime Minister Tunku Abdul Rahman, the same year in which Dr Mahathir was expelled

from UMNO. Both men are from the grassroots and not from the upper crust of society or from very wealthy families.

"I would like to think that we understand each other's perception and concept of government. On top of that, we basically agree on a number of things that need to be done but could not do because we did not have the opportunity," Musa had explained.

As the country's No 1 and 2, they went about their jobs as they perceived to be best for the country. Musa said both Dr Mahathir and he felt that something had to be done quickly to arrest the inefficiency that had pervaded the huge government bureaucracy. "And there was no better way of doing it than to move around, shocking people. They needed to wake up and pull up their socks," he had said. And so, the Mahathir-Musa or 2M administration went about its work.

Its task included introducing the punch clock for efficiency in government departments and agencies, new work ethics and the "Look East" policy of emulating work ethics and business techniques from Japan and South Korea, and ordering shut unprofitable government agencies.

"I am fully aware that we are two human beings but we appreciate that in order to make the country move we cannot afford to have any basic differences in opinion," Musa had said.

Rumours of disagreement over many points between Dr Mahathir and Musa prompted the prime minister to express support for his deputy at the opening of the UMNO General Assembly in 1983.

He said some people had claimed that Musa opposed his "Look East" policy and the government's move to absorb Islamic values into the administration.

Dr Mahathir said deputy UMNO president and deputy prime minister an effective team had been formed to make several innovations considered important for the well-being of the nation. [sentence as received]

In July last year, both leaders had emerged from an UMNO Supreme Council meeting joking that one was not talking to the other. Mr Mahathir had even joked that Musa and Tengku Razaleigh Hamzah, the trade and industry minister, were plotting to topple him.

At last year's UMNO General Assembly, Dr Mahathir said that he and Musa were getting along fine together. Musa himself broke his silence on the matter of his relationship with the prime minister and quashed rumours of a rift between them. They embraced each other before the delegates to show that everything was alright in their relationship.

Musa had told the delegates that all he said and did on issues confronting the nation were the outcome of constant discussions and meetings with Dr Mahathir. He had said: "We have been carrying out our respective duties in a complementary manner. We have our separate affairs of state to take

care of and this was why I seemed to have not participated in Dr Mahathir's policies.

"While Dr Mahathir took charge of heavy industries, I was looking after light industries and rural development. If the prime minister was looking East, I was dealing with the Western nations."

Both men had separate duties, and apparently went their separate ways, as events of the last couple of days have shown.

Musa had said that the deputy prime minister must work closely with the prime minister but in the process of assisting the No 1 the deputy prime minister need not be a "yes-man." At the same time, he had said, the deputy prime minister should not project himself as a "no-man."

"If he is a no-man, the administration will suffer. I think that if I am a no-man, I should be expelled."

Musa had said he adhered to the principle that it was the responsibility of the deputy prime minister to inform the prime minister about whatever he felt was wrong or he did not agree with.

He said that should the prime minister insist that he is right, he would carry out his instructions. However, he added, if the matter was big and he did not agree, he would resign as deputy prime minister or as a member of the government." "This is the principle of parliamentary democracy." Musa had acknowledged that it was a constant struggle to uphold one's principles and ideals.

His attitude in life is simple. "I live according to what I am. Now, I am deputy prime minister but I am always telling myself that tomorrow I may lose my job either voluntarily or by force or other means. With that frame of mind, I am always ready to move to a terrace house."

He had said that with his attitude of being prepared for the worst, which he calls pessimistic optimism, he was at peace with himself. "Being what I am now, I confess, I have lots of perks which allow me to lead a nice life. But if I have to go, I am ready."

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CSO: 4200/751

MALAYSIA

'SOURCES' CITED ON MUSA'S REASONS FOR RESIGNING

BK281353 Kuala Lumpur BERNAMA in English 1346 GMT 28 Feb 86

[Text] Kuala Lumpur, 28 Feb (BERNAMA)--Musa Hitam, who has tendered his resignation as deputy prime minister and deputy president of the United Malays National Organization (UMNO), the dominant partner of the ruling Barisan Nasional Coalition, gave five main reasons for doing so, sources said Friday.

They said accusations that he was involved in efforts to discredit Prime Minister Dr Mahathir Mohamad and topple him formed the basis of the reasons he gave.

The sources told BERNAMA the reasons cited were:

Musa could no longer continue with his principles of service and performance of duties, which he said were based on complete trust, commitment and free will. He felt that his commitment had been eroded as he was no longer trusted and as such could not serve with all his heart.

Under such circumstances, the motive of his actions would be called into question and he might be accused of acting out of his own political interest.

The statements by several party leaders regarding "certain people" attempting to disrupt and topple the government and tarnish the good name of the prime minister, which Musa believed referred to him, upset him greatly.

As long as he remained in his posts these accusative activities would continue and this placed him in a quandary--if he continued to work hard it would be misinterpreted, and even more so if he did not.

He believed his resigning would allow Dr Mahathir to choose a successor in whom he (Dr Mahathir) had full confidence, as well as to preserve party unity.

According to the sources, Musa said he had two choices--remain silent and be patient, or bot out. He chose the second, in the interest of the party.

Musa explained the reasons for his resignation in a seven-page letter to Dr Mahathir in that latter's capacity as UMNO president dated 26 February, the day he left for Mecca to perform the Umrah (pilgrimage).

The sources said the letter was delivered to the prime minister's office the following day, with copies to UMNO supreme council members.

They said Musa realized he might be accused of trying to sabotage the party, but he felt that if he were at fault it was only in his willingness to sacrifice himself to prove he had no wish to be denounced as threatening Dr Mahathir's position.

Musa gave two reasons for his leaving the country after submitting his letter of resignation--first, to prove he had no intention of playing politics and second, to avoid questions or coaxing regarding his decision. This also meant he would not be involved in discussions in the matter.

According to the sources, Musa said he first voiced his desire to resign in a meeting with Dr Mahathir on 27 January before he left for Davos in Switzerland to attend a conference.

Since then, he had given deep thought to the matter and has come to a final decision to resign as deputy prime minister, home minister and UMNO deputy president, to be effective 16 March, although he did not say why he chose that date.

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CSO: 4200/751

MALAYSIA

HAJAH ZAINAB ANNOUNCES NEW POLITICAL PARTY

BK281029 Kuala Lumpur THE NEW STRAITS TIMES in English 27 Feb 86 p 7

[By Johnny Wong]

[Text] Kuala Lumpur, Wed [26 February]--Just three weeks after she left Parti Nasionalis Malaysia (NASMA), the party she helped to set up, Hajah Zainab Yang today announced the formation of another political party to be named Kongres Rakyat Malaysia [Malaysian People's Congress].

Speaking at a press conference at her home, Hajah Zainab said the pro-tem committee to be led by her would comprise some ex-founder members of NASMA and other "respectable" figures.

The nine pro-tem committee members will meet here on Saturday to finalise the party's constitution in preparation for its registration on Monday. She did not name the other committee members.

"The party will be multi-racial, serving all races."

Hajah Zainab, NASMA's former pro-tem deputy president, said it was unlikely that the new party would be registered in time for the general election. Therefore, she and two other founder members of the party will contest as independents.

"This will be a very constructive approach without the hazard of having Trojan horses planted into the party."

She has not decided where she will stand, but the other two members will stand in Negri Sembilan.

The motivating force behind the formation of the new party, Hajah Zainab said, was the continual representations from various quarters asking her to be actively involved in politics after she quit NASMA on 2 February following protracted differences with the pro-tem chairman Raja Nasron Ishak.

She said it was her personal conviction that she has the integrity, driving force and "no skeletons in the closet" to effectively represent the people as a member of Parliament.

"NASMA succeeded in being formed under my leadership before undesirable elements penetrated it.

"Having entered politics and not having finished what I set out to do I'm not about to give up, she said.

She said the new party's leadership would, for the time being, not include government servants to save them from having to answer to superiors and having to tender resignations, all of which would take up much time.

The new party will champion the cause of the lower income group particularly lower division government officials and politically unrepresented communities like the Chinese Muslim.

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CSO: 4200/751

MALAYSIA

LIM KIT SIANG BRANDS GERAKAN STATEMENT 'UNPRINCIPLED'

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 31 Dec 85 p 3

[Text] Lim Kit Siang, secretary general of the Democratic Action Party [DAP], criticized the Malaysian People's Movement [GERAKAN] for shirking its responsibility over the National Front's policies, which reflects the party's unscrupulousness and double-faced political cunning.

Lim said that GERAKAN's unprincipled standpoint will not be accepted by the discerning Malaysian people, because it is extremely irresponsible. "Leaders of the GERAKAN want to enjoy the powers of a ruling party, but refuse to share its responsibilities. There is no such cheap thing in this world."

Lim was making a rebuttal against GERAKAN's second statement which said that Ou Siew Siang, the party's vice chairman and concurrently vice minister of energy, telecommunications and post, is not to be held responsible for the ban of publication of a Chinese-language telephone directory.

Lim said leaders of the GERAKAN party should be aware that since the slogan of "Break into the National Front! Redress the National Front!" was voiced by certain political parties in the 1982 general election, the coalition government has unprecedentedly been violating the spirit of our national constitution, the state principles and our democratic and civil rights. Does GERAKAN want the people to believe that it should not be held responsible for these violations, simply because it has not been asked by the public or it has not made any relevant resolution in its meetings?

Lim continued: "As everybody knows, the United Malays National Organization [UMNO] has never asked GERAKAN's opinion on any matter, big or small. The GERAKAN party merely follows UMNO's instructions, but never makes use of its right to voice its opinion on any issue. Why has this party been so passive in government? The people fully realize that the National Front's Supreme Council should theoretically represent the highest decisive institution of the ruling parties. Yet this council never holds a meeting to discuss government policies, because it simply follows the orders of the UMNO. Whatever the UMNO says, goes."

Lim cited the following examples:

1. After the 1982 general election, the National Front government announced the policy of one language and one culture in Parliament, which represented

the standpoint of the entire cabinet. Can GERAKAN shirk its responsibility for this policy?

2. After the 1982 general election, the National Front government implemented its Islamization policy throughout the country in the fields of administration, education, the economy, culture, and city planning. Only the Malaysian Chinese Association [MCA] voiced its dissent, but nothing was heard from the GERAKAN party.

3. The National Front government violated the "one person, one vote" principle and reallocated the national and state electoral districts at the expense of the Chinese voters. Did all this have nothing to do with the GERAKAN party?

4. In 1983, when Prime Minister Dr Mahathir "arbitrarily" amended the constitution which caused a serious constitutional crisis, why didn't the GERAKAN party have the courage to tell him that it was not prepared to hold any responsibility for this crisis?

Lim said many more examples can be cited, but this is not necessary, because the GERAKAN's cunning cannot stand on its own feet. Now does he want to criticize the party's Political Bureau for having made malicious insinuations, because they are cheap political attacks.

Lim said: "What I want to stress is that if many incidents disadvantageous to the Chinese interests should occur in the coming general election, such as the ban of a Chinese-language telephone directory, the denial of independent Chinese schools junior high graduates from taking part in a government school exam, the incident of the lion dance performance in Penang, etc., we can envisage the loss to be suffered by the Chinese community as the National Front emerges victorious."

Lim hoped that the GERAKAN party has its basic national self-respect and revises its style of work, particularly at a time when Chinese society finds itself in a sad predicament. If the GERAKAN leaders still have their national conscience, let them show it to the public.

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CSO: 4205/8

MALAYSIA

MCA CONSIDERING POSSIBILITY OF MERGING WITH GERAKAN

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 3 Jan 86 p 1

[Text] As a long-range planning, the Malaysian Chinese Association [MCA] is preparing to study the possibility of merging with the Malaysian People's Movement [GERAKAN] and to carry out the cooperation agreement previously signed between the GERAKAN and former leadership of the MCA.

To indicate its sincerity, the MCA will hold its second Central Committee meeting this coming Sunday and thereafter issue a blanket instruction to all its branches and divisions throughout the country, urging them to take active action toward the cooperation process. The MCA branches and divisions will also be enjoined to avoid making public statements which would jeopardize the relationship between the two parties; all differences in opinion on policy matters or the handling of special issues should be referred to and decided by the MCA headquarters.

MCA President Tan Koon Swan, JP, made these remarks at a press conference today, accompanied by Deputy President Datuk Ling Liong Sik, Vice President Datuk Chan Siang Sun, Datuk Lee Kim Sai and Tan Lip Chee, Chee Eng Hui (leader of MCA Youth Wing), Teng Yook Heng (chairman of MCA Women's Wing) and Wee Bok Liang (MCA Central Committee member).

Tan Kook Swan said that in an MCA council meeting last night, the party made a policy decision of giving top priority to our nation's interest and, to this end, we will cooperate with the GERAKAN party in order to restore the trust of the Malaysian Chinese and strengthen their political determination for our common future.

He expressed hope that GERAKAN would evince a positive reaction for the common benefit of all concerned.

Tan Koon Swan said that the spirit of Malaysian Chinese is at present at its lowest level and their confidence has been affected by many pending and unresolved difficulties. Many of these problems need to be solved urgently, while some others have merely been the result of misunderstanding or distorted facts.

At any rate, he continued, "one undeniable fact is that Malaysian Chinese are feeling despondent in facing the realities of life. Consequently, the MCA and

the GERAKAN must make a joint concerted effort toward the necessary changes, otherwise the Chinese will become victims of hollow political slogans. We must not let the situation go from bad to worse." He said that as guardians of Malaysian Chinese interests, MCA's urgent task is to restore public trust, so the people will believe in us.

"The problem facing us is that only through our firm determination, vigorous effort and cooperation with the government can we solve the problems. We must not rely on empty slogans."

He stressed that the MCA will take the initiative of holding a meeting with GERAKAN leaders to tackle the above-mentioned problems.

Asked whether Datuk Neo Yee Pan, formerly MCA acting president, was willing to accept a position in the new leadership, Tan said that he has not received any word up till now, because Datuk Neo is still on vacation.

In reply to a reporter's question, he indicated that at present the MCA has not considered cooperation with the Islamic Party.

On the question of Datuk Tan Tiong Hong and his followers who oppose the views of the current MCA leadership, Tan Koon Swan said that Tan Tiong Hong may do what he pleases, "but we will try our best to retain all our members in our party, including Datuk Tan Tiong Hong." He has offered him to become adviser to the MCA Pahang Liaison Committee. Whether he will accept it or not is up to him.

Talking about the formation of the cabinet and whether the name of Tan Tiong Hong is mentioned in the lineup, Tan Koon Swan declined to comment.

Asked whether the MCA is confident about the coming general election, he said the most important thing for the present is to restore the confidence of the public.

Referring to his remark about making vigorous changes, Tan Koon Swan fervently hoped that the media would refrain from publishing opinions and views disapproving of the MCA in order to avert the dissension of political strength of the Chinese and to strive jointly for our common political objectives without disturbance.

He believes that all efforts are to the good of the country and Chinese society. Asked whether the MCA would support a GERAKAN leader to become Penang's chief minister, he said: "Henceforth, our major premise in our political struggle is the benefit of the Chinese and Chinese society."

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CSO: 4205/8

MALAYSIA

DAP TO COOPERATE WITH OTHER OPPOSITION PARTIES AGAINST BARISAN

Selangor KIN KWOK DAILY NEWS in Chinese 25 Dec 85 p 2

[Text] In the coming general election, the Democratic Action Party [DAP] intends to cooperate with other major opposition parties for a concerted effort against the challenge by the Barisan Nasional [National Front].

The DAP is making preparations to contact other political parties and to coordinate their joint actions. It plans to withdraw from some electoral districts in order to provide other opposition parties with greater chances to take part in their electioneering.

Mr Karpal Singh, DAP national deputy chairman, declined to comment on the reported agreement among opposition parties. In reply to a reporter's question, he said that only Lim Kit Siang, DAP secretary general, has the authority to make a statement on policy matters.

However, Mr Singh indicated that the party's deputy secretary general, Mr P. Padu, has been authorized to represent the party to hold talks with other opposition parties.

Mr Singh added: "We intend to hold dialogues with other opposition parties on the question of their cooperation."

If the election agreement among opposition parties can be realized, this would be an unprecedented political move in Malaysia.

Karpal Singh indicated that his party will hold talks with responsible opposition parties, including those operating in Sarawak and Sabah states.

He said: "We are prepared to cooperate with the Islamic Party and the People's Socialist Party, but not with other similar socialist parties."

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CSO: 4205/8

MALAYSIA

STEPS TO STEM ILLEGAL IMMIGRANTS URGED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 24 Dec 85 p 23

[Editorial: "A Twofold Action To Tackle the Problem of Illegal Immigrants"]

[Text] Deputy Minister of Domestic Affairs Datuk Radzi announced the other day that the government had adopted a double-barreled measure: On the one hand, the authorities have rounded up the country's illegal immigrants who will be repatriated to their country of origin; already 20,000 illegals of various nationalities have been sent back home this year. On the other hand, the Seventh Special Task Force and the marine police were ordered to intensify their patrolling activities along Malaysia's west coast to forestall the infiltration of illegal immigrants.

Our country has rich natural resources and our people work diligently in concert with the government's appropriate policies. That is why our society is prosperous and tranquil. Compared with some of our neighboring countries which are plagued with natural and man-made calamities, Malaysia is verily a paradise on earth. Consequently, our country has gradually become a main target for emigration by people leaving from Pakistan, Benggala, India, Burma, and Indonesia. However, the procedure to apply for legal entry into Malaysia is usually troublesome and time-consuming, compared with illegal infiltration by simply climbing over a mountain or crossing a sea channel. Therefore, it is difficult to ascertain the total number of illegal immigrants who have arrived in our country individually, in small groups or by arrangement with certain organizations. Datuk Radzi's announcement that 20,000 illegal immigrants have been rounded up this year awaiting deportation is believed to be just the tip of the iceberg.

As Indonesia is separated from our country by a narrow strip of water, it becomes easier for the Indonesians to descend on us like a swarm of bees. There is hardly a place in Malaysia where we do not come across Indonesian illegal immigrants, especially in the states of Selangor, Negeri Sembilan, Malacca, and Johore which have become their congregation points and where they earn their living in plantations and construction sites.

If these illegals work quietly and abide by the law, there should not be any big social problem. Unfortunately, these uneducated Indonesians apparently fall victim to materialistic temptations and resort to criminal offenses, including burglaries and rapes. They have upset our social order.

Our country traditionally has a low criminal rate and our people are always law-abiding. With the intrusion of illegal immigrants, we have been confronted with a major social problem. The police have been trying to curb the crimes, but the result has left much to be desired due to a shortage of manpower. Now that the government has decided to intensify the patrolling along the seacoasts, this farsighted move deserves our praise.

The Seventh Special Task Force, comprising members of our three military services, did a commendable job in stemming the influx of Vietnamese refugees in the late 1970's. In accepting its new task of curbing the infiltration of illegal immigrants from various countries, we believe that it will score another success.

The government's double-barreled action indicates its determination to tackle the problem of illegal immigrants. We believe that with the full support and coordination of the people, we will achieve greater results.

As good citizens of this country, we believe that we can take the following actions to support the government's effort:

1. Rally around the government's call. When we discover the presence of an illegal immigrant, we must report it to the police forthwith, so that the culprit can be repatriated to his country of origin. Avoid any fist fight or verbal conflict with the immigrant, but cooperate fully with our police;
2. Plantation managers or owners of construction companies are not to hire illegal immigrants who would work for much lower wages, for this would create a big social problem at the expense of our own work force;
3. According to figures released by the Labor Department, there were nearly 80,000 registered applicants for employment last October. More than half of them were looking for secretarial and clerical work, and they should be advised to go to plantations and construction sites where work is readily available. This way we can solve the problem of labor shortage in these two fields and, as we will no longer rely on illegal immigrants, our public order will be restored.

9300/12790
CSO: 4205/8

MALAYSIA

RELATIONSHIP BETWEEN IMMIGRATION POLICY, ILLEGAL IMMIGRANTS

Selangor KIN KWOK DAILY NEWS in Chinese 27 Dec 85 p 2

[Commentary]

[Text] Recently, in a mopping-up operation against Indonesian illegal immigrants, the police discovered that the detainees held counterfeit "ID" cards. After a joint investigation by the police and the Immigration Department, it was established that these illegal immigrants had entered our territory through an arrangement by a certain organization which sold them bogus documents enabling them to enter our country and seek employment on a temporary basis.

According to reports, the counterfeit documents carry the seal of the Immigrant Department and forged signatures of immigration officials. Each I.D. card is worth M\$450.00.

This is a most serious affair, which has given rise to suspicion that the Immigration Department's administration was slack or that certain government officials were greedy enough to accept bribes. Another possibility is that something untoward was going on in the Ministry of Domestic Affairs, otherwise unlawful syndicates could not have so easily fabricated the documents complete with signatures of government officials.

The Youth Wing of the United Malays National Organization [UMNO] has urged the Domestic Affairs Ministry to look into the possibility of certain foreigners obtaining easy tourist visas and I.D. cards attributed to corruption of certain government officials. The Youth Wing has also called on the ministry to take disciplinary action against officials of the National Registration Bureau found guilty of issuing bogus I.D. cards to Indonesians.

At any rate, Indonesian illegal immigrants and legal immigrants alike have spread to all corners in our country, causing a serious social problem. Not only do they threaten employment opportunities of our citizens and augment the ranks of the unemployed, these immigrants have also endangered our public order. Mr Mohammad Padi, chairman of the UMNO Youth Wing's manpower and labor bureau, has pointed out that the influx of foreigners not only has robbed our citizens of their job opportunities, but also created all kinds of social and moral problems.

The continual outbreaks of burglaries and rapes committed by certain Indonesian illegal immigrants have infuriated our local inhabitants beyond the limits of endurance. As a result, unfortunate fist fights have occurred.

The root cause for these incidents was the presence of Indonesian illegal immigrants in our midst, and here we cannot but be in doubt of our immigration policy. We sincerely hope that our authorities review our program of slackening the restrictions against the importation of foreign workers.

The implementation of importing foreign workers has caused many foreign immigrants to enter our country. Even the bad and unscrupulous elements are capitalizing on this leniency by aiding many foreigners to infiltrate into Malaysia. The police authorities recently disclosed that certain syndicates are aiding the infiltration of illegal immigrants and even helping them get jobs.

It has not been disclosed that certain syndicates are forging travel and sojourn visas and sell them to illegal immigrants for a high price. If the authorities do not face this problem squarely, the consequences to our nation's economy would be unimaginable. Not only is our government administration in a mess, our social problems are assuming gigantic proportions.

These callous syndicates and other unlawful organizations are the product of economic recession and serious unemployment conditions. To earn a living and for the sake of survival, these people have gone so far as to commit deeds detrimental to our national interest. There may be some groups of people who harbor ulterior motives and create social problems and disturb our national tranquility, and that is why they are fishing in muddy waters. However, who are to blame for the outbreaks of these incidents? Who have provided them with these murky opportunities?

Therefore, before putting an end to the doings of these syndicates and other unlawful organizations, we must first find where the bottlenecks are and treat them properly. The main obstacle lies in our immigration policy. To give the ailment the proper treatment, we must strictly curb the influx of illegal immigrants. Only in this way can we put an end to illegal behavior and restore our social and national tranquility.

9300/12790
CSO: 4205/8

MALAYSIA

INDUSTRIAL MASTER PLAN OUTLINED

Kuala Lumpur NEW STRAITS TIMES in English 4 Feb 86 p 10

[Text] SERDANG, Mon. — Careful study of the environment should be carried out first before the upland areas in Southeast Asia, including Malaysia, are brought under development to avoid the aggravation of soil erosion and siltation, Land and Regional Development Minister Datuk Seri Adib Adam said today.

With rapid population growth coupled with the eventual exhaustion of lowland areas, the uplands would increasingly become an important source of food crop production, he said.

Datuk Seri Adib said it seemed inevitable the future potential of the uplands for economic development and eventual mass-scale settlement would take place in the region.

"Bandung and Baguio City are good examples of viable human settlements in such areas," he said when opening a regional workshop on the impact of man's activities on tropical upland forest ecosystems at Universiti Pertanian Malaysia.

Datuk Seri Adib warned, however, that the uplands' unique and relatively fragile characteristics must be taken into account before subjecting it to any form of economic development.

mic development.

"Our present knowledge of upland ecosystems, although woefully inadequate, gives enough indication for us to contemplate development with more wisdom and restraint," he said.

He said any attempt at greater development of upland areas must therefore be preceded by judicious planning to minimise adverse effects on the environment.

Datuk Seri Adib pointed out that the most important problematic characteristic of upland areas was its propensity for soil erosion due to slope steepness against the torrential rainfall in the humid tropics.

"It has been shown that silt discharge in the undisturbed river systems is within one to eight tonnes per hectare per year.

"In contrast, the Klang river, which flows through the heart of Kuala Lumpur, carries up to 50 tonnes of silt. Even under oil palm plantations, silt discharge has been recorded at 15 tonnes and for rubber plantations the figure is much higher," he said.

The Minister noted that for every six inches topsoil eroded per hectare the equivalent of 5,600kg of urea fertiliser a year was required to restore its fertility.

lity.

He said siltation due to upland erosion also created further problems such as shorter lifespan of dams, greater wear on hydroelectric turbines, shallowing of harbours and recurrent floods.

Datuk Seri Adib said when upland areas were developed, the supply of electricity and hydroelectric power would have to be stepped up.

In Malaysia, he said Sarawak was destined to become an important regional source of hydroelectric power.

With fast-rising living standards in the region, recreation and tourism in upland areas such as Cameron Highlands and Genting Highlands would also become popular.

Datuk Seri Adib also said his Ministry was now actively opening new townships in the jungle-covered interior regions of Kelantan (Kesedar), Terengganu (Ketengah), Pahang (Dara and Jengka), Johore (Kejora), Kedah (Keda) and Penang (Perda).

The land agencies, he added, would be given their respective deadlines to move their headquarters to their new town centres to speed up the growth of commercial activities there. — Bernama

/13104
CSO: 4200/766

NEW ZEALAND

GREENPEACE BOARDS JAPANESE SHIPS IN ANTIWHALING PROTEST

HK280501 Hong Kong AFP in English 0426 GMT 28 Feb 86

[Text] Wellington, 28 Feb (AFP)--Ten members of the Greenpeace conservationist group briefly took over two Japanese vessels in Wellington Harbour Friday in an anti-whaling protest.

Police took two of the protestors into custody but released them after a short while with a warning not to re-board the vessels.

Condemning what a Greenpeace spokesman, Mark Roach, called "the continued slaughter of minke whales by the Japanese Antarctic whaling fleet," the protestors boarded the vessels with no challenge from the crews.

The protestors strung a large orange banner reading "Green peace, stop Japan killing whales" between the vessels. Police arrived within 15 minutes, in time to stop some of the protestors from chaining themselves to the railings.

Both vessels had just arrived after a multi-national research cruise in the Antarctic. A Green peace press statement said their main purpose was to "assist in the future planning of the Japanese whaling industry."

"We're here to draw attention to the fact that the Japanese are breaking the moratorium on whaling," Mr Roach said. "We're going to keep doing this until the Japanese and all nations stop whaling."

Under New Zealand trespass laws, people may not be charged unless they have been warned previously that their presence is prohibited.

/9274
CSO: 4200/756

20 March 1986

NEW ZEALAND

QUEEN DEPARTS AFTER PROTEST-DOGGED VISIT

HK020454 Hong Kong AFP in English 0433 GMT 2 Mar 86

[Text] Wellington, 2 Mar (AFP)--Queen Elizabeth II and Prince Philip left Christchurch Sunday for a 12-day visit to Australia, after a stay in New Zealand dogged by Maori land rights protests.

Seen off by Governor General Paul Reeves, Prime Minister David Lange and an array of cabinet minister and civic dignitaries, the royal couple flew on for Canberra, after being honoured by a 21-gun salute.

Despite special police security measures, almost every step of the royal visit to New Zealand was dogged by Maori land rights protests.

In the most serious incident, two young women posing as ground wardens, pelted the Queen with eggs at Ellerslie race course in Auckland during a royal reception for schoolchildren last Monday.

Two other incidents saw a Maori protestor bare his buttocks at the royal party near Hastings last week, while four women and a man were arrested in Christchurch Saturday after a similar protest there.

Well-known Maori activist Dun Nihaka also succeeded in breaching police security, intercepting the royal cavalcade in a van festooned with anti-royalist slogans near Wellington last Thursday.

Jeering demonstrators waving anti-royalist placards were seen nearly every day lining roads as the Queen and Prince Philip travelled around New Zealand.

Protestors have said their actions stem from dissatisfaction with the alleged lack of royal recognition for the nearly 150-year-old Treaty of Waitangi, drawn up to protect Maori land from the claims of early settlers in New Zealand.

The treaty was signed in 1840 between the then British governor and Maori representatives.

An opinion poll published in THE NEW ZEALAND TIMES SUNDAY, showed more than 50 percent of the population was either ambivalent towards the nine-day royal visit, or actively opposed it.

Blue collar workers stood out as the most opposed to the royal visit, while it found most favour with those more than 55 years old.

The Queen has become the focus for Maori land-rights protest in New Zealand, even though she holds no power here.

"The queen is the crown and is also the head of government in New Zealand," protest co-ordinator Louise Mortland said in a newspaper interview today.

"As that, she has not fulfilled the obligations that the crown is supposed to," she said.

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CSO: 4200/756

PAPUA NEW GUINEA

WINGTI CHANGES RULES ON FOREIGN AID USE

Port Moresby PAPUA NEW GUINEA POST COURIER in English 20 Feb 86 pp 1, 2

[Text]

Projects financed by foreign aid will not need to go to international tender with many nations bidding for the work.

Japan has consistently complained that countries which give the aid should be allowed to carry out the projects.

For example, if Japan offers to finance the building of a bridge, it can now stipulate that Japanese companies do the work.

Before, the Government was obliged to put the project to tender, inviting offers from several countries before selecting the best one.

The former Somare administration had to turn away many hand-outs because countries were not satisfied with the tender obligation.

Mr Wingti described the move as an "enormous step forward"

PNG recently had to refuse money, said Mr Wingti, because of the stipulations put on grant-aid projects. He stressed, however, that the new move would not affect foreign loans.

The new policy would "open up potential aid sources and broaden our range of available aid."

Australia's trend to give "non-budget" aid — money outside the annual K220 million for Budget funds — had highlighted the need for a change of direction.

A major beneficiary of the policy, Japan, is delighted with the latest step to encourage development.

Its ambassador here, Makoto Taniguchi, was in high spirits last night: "The previous policy was blocking my work. Now I'll have more time to concentrate on my softball. My team Fuji is down the ladder, you know."

"My Prime Minister, Mr Nakasone, had told Mr Somare last year that your aid policy was too rigid and suggested something be done about it."

"Mr Somare last July told Mr Nakasone six projects could be funded by Japan."

These included an East Sepik sago project, the Mekeo rice development, the supply of equipment for NBC and work on Port Moresby General Hospital.

"I have put these issues back to the Government but have received no reply," continued Mr Taniguchi.

"Now the policy has changed, I will be only too happy to explain our system of aid-funded projects and then sit down and negotiate."

Mr Wingti added that the Australian tied aid of K220 million would not be affected.

Cabinet yesterday also announced that the administration for channelling

foreign aid would be changed.

A five-man ministerial committee — headed by

Foreign Affairs Minister Mr Vagi — will oversee all grant aid discussions.

Mr Wintgi said this would avoid misunderstandings with "potential donor countries."

All aid funds will be handled by the Finance and Planning Department, whose minister is Sir Julius Chan.

Aid matters had been split three ways — between the departments of Finance, National Planning and Foreign Affairs. Mr Vagi would now deal with

governments and organizations proposing grant-funded projects.

COMMENTARY ANALYZES AQUINO, OPPOSITION GAINS

Quezon City WE FORUM in English 18-24 Feb 86 p 9

[Article by Annabelle Cueva Clutario: "Losing the Battle But Winning the War"]

[Text] Mrs. Cory Aquino's candidacy against President Marcos was too perfect that nobody, except the ardently cynical perhaps, would have thought that anything would go wrong.

Basically, she was right in running in an election even against all odds if only to give millions the opportunity to express their sovereign will. By running, she was able to mobilize hundreds of thousands of people towards the ouster of the Marcos regime and the realization of democracy. By running, she had Marcos really running scared for the first time. By running, she was able to show to the Filipino people and the whole world how brazen and desperate the Marcos regime really is.

By running, she was able to block Marcos' attempt to acquire a "fresh mandate" through a snap electoral farce. By running, she effectively exposed real intentions of the US government which is to prop up a dictatorial regime and not to revive democratic processes nor ensure clean and honest elections. By running, she was able to revive the popular outrage and indignation that had somehow passed away two years after the assassination of her husband Ninoy. By running, the Marcos regime has remained extremely isolated and politically defensive.

Her candidacy was able to do all that — except win the presidency by official count.

Of course, it is the Marcos regime that must be condemned for subverting the people's genuine will. At the same time, however, it should have been expected right from the start that a dictator will use everything in his hands

to hold on to power. That has been the case, especially since 1972 and nothing much has ever changed since then.

One of the opposition's weaknesses during the election campaign was that it apparently had no fall back plan after the elections. It had built up the illusion that Mrs. Aquino was sure to win the presidency and apparently they themselves got carried away by that. The opposition candidate for vice president, former senator and assemblyman Salvador Laurel, for instance himself had repeatedly declared that Unido would handily beat the ruling KBL even if cheating occurs. Probably that was true, except for the official counting.

Being an opposition that uses primarily parliamentary methods, the Unido-Laban coalition concentrated on the electoral struggle as if that was the only arena for political combat. But they should have known better. Before the elections, they themselves, admitted that Marcos had not carried out any substantial electoral reforms. The regime proceeded with the elections with the same discredited Comelec, with the same mighty military machine that did not keep itself in the sidelines, and with the same powerful KBL network organized especially for cheating. More significant, the Marcos regime effectively controlled the Batasan which would do the official counting and the proclamation.

What seemed to have happened was that the opposition fell for pronouncements guaranteeing "clean, fair, and honest" elections from both Mr. Marcos and the US government. That itself was another mistake. The opposition mistakenly believed that the US would cease to support the Marcos regime if there was evidence that the polls were rigged. There were lots of evidence, true, but the Reagan administration didn't do anything.

It was really foolish for the opposition to really believe that the US was willing to dump Marcos if only to stop the relentless advance of the NPA. During the campaign proper itself, the Aquino-Laurel tandem had been openly wooing

US support. They softened their stand on whether the US bases in the Philippines should remain or not. They distanced themselves from the more militant cause-oriented groups which were eventually forced to boycott the polls. They even allowed themselves to be maneuvered on the issue of the communist threat, as if there really were, by Mr. Marcos himself.

Certainly, the US continues to be concerned over the threat posed by the NPA insurgency as it wants to keep its bases even beyond 1990. But at this point, it cannot afford to lose Marcos since the entire state machinery that has been protecting US interests very well in the past two decades has been moulded to the image of Mr. Marcos himself. A change in power would obviously destabilize the existing State and that, the US believes, can only be an obstacle in crushing the NPAs.

Still, on the whole, it was the opposition who really won the war in the elections even if they lost the battles against cheating. In fact, after everything else, it is the US and the Marcos regime that are apparently really worried over the outcome of the elections, while the opposition seems to be learning its lessons well. The electoral farce, after all, turned out to be a valuable learning experience, even if it were by negative example. — Annabelle Cueva Clutario

/13104

CSO: 4200/762

PHILIPPINES

PAPER ANALYZES ELECTION IMPACT ON 'REAL LOSERS'

Quezon City WE FORUM in English 18-24 Feb 86 p 13

[News Analysis by Sonia G. Dipasupil: Hard Life Ahead for the Real Losers"]

[Text] Conflicting election tallies notwithstanding, assertions on who the real winner was in the February presidential polls differ, depending on the perception of the proponent and on which side of the contest he was.

Pre-election predictions of the ruling party projected a KBL victory as a triumph of democracy over communism. The opposition bets, on the other hand, claimed their victory would inextricably be also that of the Filipino people's, and of truth, freedom and justice.

Although the underground Communist Party and so-called left-leaning mass organizations opted for a poll boycott that placed them, even by their own admission, in "temporary isolation," they were nevertheless as much a part of the electoral process. They urged all self-respecting Filipinos to ignore the "electoral farce" that is destined only to legitimize the Marcos government and further entrench itself in power. Their gloomy forecast: another yankee victory.

Throughout the entire exercise, the United States attempted to project a neutral stance. Regardless of who won, it maintained, it was confident current "friendly" Philippine-American relations will be preserved.

But amid alarming reports of massive electoral fraud and violence, American senators and mediamen alike introduced into the scenario another "potential winner". For the major part of the past week, they warned strongly that the only ones who stood to gain from the protracted and increasingly bitter post-election controversy were no other than those who stayed away from the polls: communist and other leftist elements.

It is a fear shared by Washington policy-makers, Malacanang tenants and local opposition moderates. It is a view that aims to conjure the communist spectre anew in the hope of reducing, in the public mind, the electoral gladiators to advocates and annihilators of democracy. It is a White House message peddled by its fair and brown-skinned emissaries alike couched in ever so transparent terms: if the post-election controversy is not concluded "credibly," the Philippines will turn red overnight.

Banking on decades of fostering rabid anti-communism in the country, the United States has come to "collect". It expects the "red scare" either to signal a graceful Marcos exit (a remote possibility, observers say, but still a possibility) or install the ruler for 20 years anew, while making opposition moderates content with puny concessions (like a voice in a council of state of sorts).

It also has a tempting bonus. It can force the left effectively out of the arena of power by picturing them as political vultures hovering over the carcasses of fallen electoral victims, ready at a moment's notice to swoop down in numbers, feast on the flesh of democracy and wing their way to a government espousing a godless ideology. This country of God-fearing Catholics should avoid that at all costs.

The American perception is not entirely without basis, but neither is the US entirely without blame. If the left is really to emerge the victors in this contest, it is because America has pushed the silver platter of victory nearer to the communists through the years.

Decades of insatiable and systematic plundering of the nation's wealth via lopsided treaties and countless investment incentives has managed only to siphon assets out of the country and widen the gap between rich and poor. This reached its peak after the 1983 Aquino assassination when investors and cronies alike flew along with massive capital to safer climes. With the economy in shambles and human rights violations increasingly becoming

the order of the day, the ranks of the discontented grew, in search of an alternative to their misery. The number of disaffected later swelled the ranks of the New People's Army from an estimated 100 clandestine regulars in 1969 to some 16,000 red fighters occupying sizeable territories in at least 63 out of 74 provinces. The communist National Democratic Front also claims to have considerably expanded its membership.

But even with the facts staring it in the face, the government, along with the US, insists on treating the "communist problem" as the cause and not the effect of rising disenchantment with the present setup.

Talk of who the real winners are in the presidential elections ignores, as it is designed to ignore, who the real losers are.

Already, the effects of widespread election-related violence and massive election spending are taking their toll. Barely six days after the polls closed, the peso dropped in value by 73 centavos to P20 to a dollar. The following day, it dropped by 40 centavos more. Although the peso recovered slightly at the close of banking hours last Friday to P19.986: \$1, bankers dismiss this as an "artificial recovery" as they predicted the peso would weaken further to fall even beyond pre-election projections of P22-P24:\$1. Grim reminders of the 50% peso devaluation after August 21, 1983 are sending speculators into a dollar-buying spree, which will only exacerbate inflation.

Even government economists admit prices of most goods and services will go up next month. The National Economic Development Authority expects the February inflation rate to be higher than January's 3.96%.

To curb the climbing inflation rate, the government will have to implement drastic measures as it did in 1984 when inflation posted a 40% high. Business credit was held back to a workable minimum, forcing business either to cut down on manpower requirements, close shop or refuse any upward wage adjustment. The result: widespread industrial unrest as thousands were thrown out of their jobs or denied reasonable wage increases. Today, an estimated 6 million out of the 20M-strong workforce are either unemployed or underemployed.

Labor-management-military clashes in the picket lines and elsewhere which spilled out to 1985 yielded 95 dead for last year alone, even as four more were killed as soon as the year opened. The number of disappearance and arrests of workers grows daily as strikes and pickets paralyze industrial operations, forcing company managements to "discipline" workers rather than give in to their demands.

Pre-election bank runs, panic-buying and capital flight threaten to accelerate as post-election tension pads airline passenger manifests with more prominent names in preparation for that fateful exodus in case the simmering political conditions explode.

All these, on top of a conservatively estimated \$25 billion foreign debt, repayment of which, as per IMF-WB prescriptions, will spell additional taxes, tight business credit, wage control and import liberalization schemes and other measures that are already pushing more and more Filipinos deeper into an economic fix. At least 75% of the country's 55 million population now live below the poverty threshold. Noted economist Alejandro Lichauco observes that this massive poverty has turned the country into the "scandal of Asia," if not its "garbage heap," when 20 years ago it was considered the pacesetter in Southeast Asia. He goes on to warn that this poverty which revolutions are made."

As we go to the press, reports were coming in that the opposition MPs at the Batasan have walked out on the canvass proceedings crying "fraud," and that President Marcos was proclaimed winner by the Batasan soon after. Meanwhile, a proclamation rally to crown Mrs. Corazon Aquino as the genuine winner at the Luneta park was set last Sunday, earn as the opposition mapped out plans to establish a "provisional government."

In the heated partisan warfare expected to follow these latest developments and as the controversy on who really won takes on added dimensions, we should not lose sight of who the real losers are, and how they should come to terms with their defeat.

With election violence claiming 65 lives on election day alone, including young volunteers who may have regretted the game as not worth the candle, the electoral exercise is turning out to be a game of Russian roulette, with only the Filipino people taking the fatal bullets. Strangely enough, each of the contending forces claimed the victory was ultimately going to be the people's.

As Lichauco noted, the United States "called" the elections either to strengthen the political claim of the Marcos government to legitimacy and ensure its own succession, or to install a new government that would execute Washington's policies more efficiently and credibly. Failing these, the election could end up with both contenders as casualties, which would then set the stage for an eventual take-over of government by the military.

In an interview with a US congressman aired over a local radio station, the legislator had something else in mind. He suggested the US send in the same plane that ferried the embattled dictator Jean Claude "baby doc" Duvalier out of Haiti to serve a similar purpose here.

Although certain quarters entertained the Haiti solution as an interesting alternative, it provides no answer for the fate of the 50-million or so Filipinos who will be left behind to clean up America's mess and to heal their collective wounds.

PHILIPPINES

RAMOS INTERVIEWED BY JAPANESE TV ON RECENT EVENTS

OW011045 Tokyo NHK Television Network in Japanese 1000 GMT 1 Mar 86

[Text] According to NHK Correspondent Sato in Manila, Armed Forces Chief of Staff Ramos, one of the central figures in the recent political drama in the Philippines, has granted an exclusive interview to NHK [Japan Broadcasting Corp].

In the interview, the chief of staff made it clear that, although the political change was triggered by former President Marcos' attempt to arrest Defense Minister Enrile, there was an underlying movement to reform the armed forces.

[Begin recording of Ramos speaking in English]

They say it is a people's revolution. It is not a revolution of Minister Enrile and myself. It is a revolution of the people who wanted a change or who wanted a reform, who wanted good government, who wanted a better life for all people. And then there was this report that Minister Enrile was about to be arrested. And for my part, I have always been interested in reforms in the armed forces. When all of this were [as heard] mixed together, and there was an opportunity provided to go ahead. [end recording]

In addition, General Ramos said that it was possible to change the tide because the people defended them against the Marcos forces' tank attack, offering themselves as human shields.

He also said that, on the morning of 24 February, they intentionally circulated false information that former President Marcos had fled from the Malacanang Palace, which resulted in making the pro-Marcos troops waver.

/9274

CSO: 4105/90

PHILIPPINES

TWO MINDANAO 'SPARROWS' KILL NPA COMMANDER

Davao City PEOPLE'S DAILY FORUM in English 22 Jan 86 pp 1, 2

[Text] Two hitmen of the New People's Army (NPA), defying an order by their superior to liquidate a barangay captain of General Santos City, shot to death their commander instead.

A report received today in Camp Aguinaldo said the two hitmen, both members of the NPA sparrow unit operating in Southwestern Mindano, some 750 kilometers South of Manila, gunned down last week a certain Alfredo Tabanao, an NPA commander.

The report said the two NPA hitmen who were not identified, resented an order to kill a barangay captain of General Santos City because the barrio leader is from their place.

Instead of carrying out the order, the two decided to kill their commander.

The killing of an NPA commander by his subordinates was the first time to happen in General Santos City, the military said.

The military viewed the incident as a big blow to the NPA movement in the province because it shows there is some rift within the organization.

/13104
CSO: 4200/762

20 March 1986

PHILIPPINES

NPA SABOTAGES DAVAO POWER TRANSMISSION, KILLS GUARD

Davao City PEOPLE'S DAILY FORUM in English 31 Jan 86 pp 1, 8

[Text] A security officer of the National Power Corporation (NPC) was killed and several were wounded in an encounter reportedly with dissidents of the New People's Army who sawed off 12 electric posts of the NPC in Gianga, Tugbok, Davao City last Wednesday afternoon.

The sawing and subsequent toppling of the electric posts of the NPC has caused a blackout in Davao del Norte and Davao Oriental after electricity were cut off from them.

The identities of the casualties and the wounded were not known as the NPC tried to keep the incident under wraps apparently not to cause apprehension to Pres. Marcos and his First Lady, Imelda Marcos, who were in Davao last Wednesday.

Reports gathered from the two electric cooperatives disclosed that earlier in the day, a group of armed men said to be NPA's sawed four electric posts of the NPC with the use of a chainsaw machine.

The NPC guards and technical men who have noticed the electric interruption immediately went to the area to investigate what had happened.

Following the electric posts line, there they saw armed sawing off the light posts. At this juncture, a firefight ensued hitting the guard fatally and wounding several others.

The encounter allegedly irked the armed men and this prompted them to topple off more electric posts totalling at least 12 fallen posts.

Philippine Marines were brought to the area to secure the place but the rebels were no longer there.

The toppling of the electric posts were believed timed by the rebels upon the arrival of the President and his KBL party.

Mrs. Marcos and Vice-Presidential candidate Arturo Tolentino were supposed to speak in Tagum, Davao del Norte yesterday but changed their political rally in Digos, Davao del Sur after being informed that there is no lights in Tagum.

However, the KBL delivered their speeches in the rally with the use of light generators.

The light cooperatives in Davao del Norte and Davao Oreintal said that resident and consumers of the electric coops will be deprived of current for at least a week.

Repairs are being hastened by the NPC specially in the restructuring of new light posts.

The KBL has described the sawing of the 12 light posts as another political sabotage perpetrated by the communists whose candidates are Cory Aquino and Doy Laurel this elections.

/13104

CSO: 4200/762

PHILIPPINES

DAVAO PAPER TALLIES 36 KILLED IN JAN 86

Davao City THE MINDANAO DAILY MIRROR in English 1 Feb 86 pp 1, 6

[Article by Chito Herbolingo]

[Text] At least one person met a violent death each day in the month just passed (January) in Davao City. It is a far cry from the 2.4 average for the entire year of 1985, but still high enough for the city to retain the description "the killing fields."

A MIRROR special report came up with a total of 35 persons who were victims of murder and homicide through shooting or stabbing between Jan. 1 and Jan. 31, 1986.

Nineteen died at the hands of assassins, 8 were "salvaged" and 8 were stabbed or hacked to death.

Curiously enough the once notorious killing field called Agdao only figured twice in the report, having registered only two casualties in that category.

The topnotcher was Toril with 6 victims. The rest: Matina, 5; Mandug, 4; Bankerchan, 3; Buhangin proper 3; Bunawan, 2; Quezon Boulevard, 3; Bajada, 2; and 1 each in Panacan, Sasa, Bolton Isla and Tugbok.

Notable was the fact that there was only one casualty on the police and military sides, but two security guides were killed and 1 CHDF met the same fate.

FLASH! As we went to press a late report came in which raised the total number of deaths by violence to 36 for January.

The latest victim was identified as one Antonio Mayorial, 39, single, a former CHDF member, resident of 201-1 Piapi, Quezon Boulevard.

At a little after 1 p.m., Friday, Jan. 31, the victim was standing on the corner of Mabini St. and Quezon Boulevard when one of three unidentified men shot him with an undetermined caliber handgun, killing him instantly.

Mayorial was hit in the left temple, above the right ear and left side of the abdomen. A deformed spent slug was recovered from the scene of the crime.

The case is under investigation by Pfc. Noe Erespe, Pfc. Falcon, patrolmen Remulta, Riveria and Nal.

The killing raised the number of deaths through violence in Davao City last month to 36, and raising the number of victims in the Boulevard area to three.

/13104

CSO: 4200/762

PHILIPPINES

SURIGAO NPA 'MASSACRE' FIVE; VILLAGERS FLEE

Davao City THE MINDANAO DAILY MIRROR in English 2 Feb 86 pp 1, 3

[Text] Evacuees fleeing their hinterland homes continued to pour along the Maharlika national highway in Lianga, Surigao del Sur following a New People's Army massacre of five villagers at barangay Banahaw of the same town Thursday last week.

Five others were wounded and brought to the Lianga Emergency Hospital for treatment, media sources told the Office of Media Affairs yesterday. Identities of the fatalities remain unknown.

The massacre began after Manobo and Cammayo tribesmen refused repeated offers to join the rebel ranks, according to newsmen covering the Surigao beat.

They added that the NPA also tried to force money and food out of the clansmen but were flatly rejected.

Said to be fiercely anti-communist, the natives belong to a cult honoring national hero Jose Rizal.

Relief services chief Fred Compay of the Ministry of Social Services and Development (MSSD) pegged the number of evacuees at 257. The figure could mount following a punitive drive by the military against the rebels.

Since Saturday, the Surigao Red Cross chapter under Mrs. Susan Gran began distributing emergency rations to the natives who had fled in fear without spare clothes and food.

/13104
CSO: 4200/762

SINGAPORE

BERNAMA ON NEW MEASURES TO STIMULATE ECONOMY

BK261257 Kuala Lumpur BERNAMA in English 1247 GMT 26 Feb 86

[Text] Singapore, 26 Feb (BERNAMA)--The Singapore Government Wednesday announced several measures to stimulate the economy of the country, including reductions in Central Provident Fund [CPF] contribution, income tax and corporate tax.

First Deputy Prime Minister Goh Chok Tong told parliament Wednesday that the present employer CPF contribution rate of 25 percent will be reduced by 15 percent for a period of two years from April this year. He said it was necessary to cut the cost of doing business in Singapore and help the employers' cash flow.

However, the employee contribution still remains at 25 percent.

On personal income tax, Goh said that there will be an across-the-board rebate of 25 percent from April which means giving back S\$250 million to the individual taxpayer this year.

He said the marginal tax rate on personal income will be adjusted downwards with the top rate brought down in line with the reduction in corporate tax rate.

He also announced that the corporate tax will be reduced from 40 percent to 33 percent from April to improve the net return of companies.

To overcome the present bad times in the property market, Goh said that the government agreed to increase rebate on property tax to 50 percent.

He said that the government will assist businessmen to increase their capital stock and improve the skills of their workers and managers. At the same time, it has taken steps to divest its involvement in business.

Goh said that the government must make sure there will always be sufficient revenue to meet all national needs, both for the short and long term.

It was better to exercise prudence, to avoid tests going down too low only to up them again in some later years, he added.

/8309
CSO: 4200/745

SINGAPORE

BRIEFS

MORE INDUSTRIAL EQUIPMENT TO PRC--Singapore, 28 Feb (AFP)--Singapore traders are now selling more industrial equipment to China and are moving away from their traditional role as suppliers of low-value products and commodities, reports here said Friday. According to the information supplied by the Statistics Department, during the first 10 months of last year the share of industrial equipment exports to China accounted for 26 percent of the total trade. In 1984 the export of industrial equipment to China accounted for only 14 percent of the total trade. In the first 10 months of 1985 China bought about 75 million U.S. worth of equipment compared to about 32 million U.S. for the whole of 1984. Business circles here attributed the rise in Singapore's exports of industrial equipment to China to that country's modernization plan. They said with China adopting an "open-door policy" in a determined effort to upgrade its industries and factories, there was a demand for the latest machinery and equipment. They said the increasing contracts between the businessmen of the two countries and the number of trade missions from China visiting Singapore was one of the major contributors in this new trading pattern. [Text] [Hong Kong AFP in English 0645 GMT 28 Feb 86 HK] /9274

CSO: 4200/752

THAILAND

PREM SAID TO THREATEN TO DISSOLVE PARLIAMENT

Bangkok SIAM RAT in Thai 10 Feb 86 pp 1, 12

[Unattributed report: "Prem Threatens To Dissolve Parliament, Says Governemnt Parties Are Responsible"]

[Text] A person close to the prime minister has stated that Prem may dissolve parliament if the government parties create problems in their struggle for votes and split apart. Actually, the prime minister does not want to dissolve parliament. He hopes that the government will be able to complete its term.

There have been rumors that the government of Gen Prem Tinsulanon, the prime minister, will dissolve parliament before parliament convenes in May because of the conflict between certain parties in the coalition government. A news source close to Gen Prem told SIAM RAT that Gen Prem does not want to dissolve parliament or make any political changes at this time. He hopes that parliament will be able to complete its 4-year term.

However, Gen Prem is very upset by the actions of MPs who are members of government coalition parties. The 1987 election is fast approaching and so these MPs are trying to win support for themselves or their party. Whenever a mistake is made, they put the blame on the prime minister. But whenever good results are scored, they take the credit or give the credit to their party. Gen Prem is also upset by the fact that the government coalition parties are all trying to improve their own position and this has led to conflicts between the parties. This has shaken the government's position to the point where it may be necessary to dissolve parliament before the general election in 1987.

"The situation that exists when parliament convenes will be an important factor in determining whether the government will have to dissolve parliament. In particular, there is the matter of the oil tax act. There are reports that MPs will not support this. There is also the no-confidence motion against the prime minister and his ministers," said the news source.

As for the reports that MPs from several different parties are planning to resign and form a new political party, the news source said that MPs from the Social Action and Thai Nation parties may split away and form a new political party. But so far they have only made preparations. To date, no one has resigned. Because those who resign have to give up their seat in the House,

and this goes against the constitution. The news source said that these MPs have not taken action themselves to register the new political party. But this will have an immediate effect at the time of the 1987 general election. Each party, regardless of whether it is an old party or a new party, will be able to field at least 161 candidates or half the number of MPs in parliament. Based on the Political Parties Act, these political parties will have to establish five party branches. However, the news source repeated that the MPs are just making preparations now. Their activities do not affect the security of the government.

11943

CSO: 4207/174

20 March 1986

THAILAND

COLUMNIST SAYS PUBLIC 'TIRED OF' PREM

Bangkok SIAM RAT in Thai 10 Feb 86 p 5

[Fact and Fancy column by an "Old Soldier": "People Are Growing Tired of the Prime Minister"]

[Excerpt] Gen Prem has served only a little over 2 years of his present term as prime minister. He still has over a year left to serve. But I doubt that he will be able to complete his term. But he will not leave office because of health reasons or because of a coup d'etat. Rather, he will be forced out of office by the House of Representatives using political methods in a democratic system. I agree that the time has come.

Gen Prem Tinsulanon has been prime minister long enough. He has been prime minister too long and so the people are now growing tired of him. They are growing tired of him because he never does anything to help them. He is just concerned about surviving from one day to the next. Thus, the people are tired of him and no longer want him as their prime minister.

Perhaps Gen Prem doesn't know this. Others may not dare tell him the truth. People just try to curry favor by telling him to stay on as prime minister. I am the first one to tell him that the people are growing tired of him. The people no longer want him as their prime minister. If he gives up his position as prime minister now, there are other senior but non-political positions that he could hold. And these are positions that would earn him praise rather than criticism. Whenever he resigns his position as prime minister, he will immediately be appointed to a new position. I would like to give Gen Prem a few hints in order to make things easier for him so that he doesn't have to worry if he resigns as prime minister.

Let's talk about the pity that the people feel for Gen Prem. They wonder why he wants to stay on as prime minister. He receives more criticism than praise. People are constantly criticizing him. He doesn't benefit in any way. He built a good reputation for himself in the past. But that reputation is rapidly fading in the minds of the people. Furthermore, his prestige is being destroyed. He is being criticized constantly, some of which is deserved and some of which isn't.

Thus, the people feel sorry for him and would like him to get out of politics. They want him to leave the political stage and get away from all the criticism. They don't want him to have to bear this any longer. The people feel sorry for him; they don't hate him. I know that the people still love him. Because they love him, they don't want him to have to suffer the political consequences as is the case at present. The people may not be able to help those whom they love.

I would like to remind Gen Prem of this. Because I know that soon, Gen Prem will be forced out of office by people using democratic political methods. There will be a debate in order to issue a no-confidence resolution. That is tantamount to firing him. That will be very painful to Gen Prem. There will be meetings at which he will come under strong criticism. And finally, a no-confidence resolution will be passed. When that happens, Gen Prem will have to give up the premiership. Furthermore, he will go down in history as the first prime minister of Thailand to be expelled from the premiership by parliament. No Thai prime minister has ever had to give up his position because of a no-confidence resolution. Gen Prem Tinsulanon, the 16th prime minister of Thailand, may be the first such prime minister. Thus, I would like to tell Gen Prem to prepare himself because he will definitely have to face this.

I don't think that he can place any hope in the political parties that now support him. The MPs in those parties all know the truth and understand that their love for Gen Prem is one-sided. They have come to realize that Gen Prem does not love them in return. Gen Prem loves only his people. He loves and trusts only those whom he asked to join the government and serve as ministers. He gives in to these people. He isn't interested in the country, the people or the MPs in the parties that support him. People have been misled for more than 2 years now. They just discovered the truth and must now play a role.

Gen Prem is the prime minister. He is the head of the government. But he is not administering the nation's affairs in accord with the wishes of the people or in accord with the intentions of the political parties that support him. He just does things based on the wishes of certain people in whom he has great confidence and faith and whom he invited to join his government.

This is what things are like. MPs have become suspicious of Gen Prem and no longer want him to be prime minister. Thus, preparations are being made to hold a no-confidence debate in order to remove him from his position. But the question is, if Gen Prem is ousted from his position like this, have any preparations been made to select Thailand's next prime minister? Because when that time comes, things could become very complicated. He might be replaced by someone whom no one had given any thought to previously.

11943

CSO: 4207/174

THAILAND

INDUSTRY MINISTER HITS OUT AT TIN PLAN

BK281330 Bangkok Domestic Service in English 0000 GMT 28 Feb 86

[Text] The Industry Ministry has indicated that Thailand will not join in the new plans for resolving the world tin crisis if there are provisions that it be subjected to unfair export control and excessive financial contribution to the huge debts created by the International Tin Council's buffer stock operation.

Industry Minister Dr Chirayu Itsarangkun na Ayutthaya made the stance known at a press conference on Wednesday in the wake of reports that a draft agreement on the rescue package was agreed upon last weekend in London by representatives of the ITC member countries, creditor banks, and brokers. According to Dr Chirayun Thailand cannot accept perspective [as heard] export control while other ITC members and non-members are practically enjoying free export. He said part of Thailand's financial contribution to ITC's debt and the draft rescue package, said to be around 120 million pounds shared by ITC's 22 member countries, is too high, and that Thailand would not shoulder such unfair financial burden.

Meanwhile, Director General of the Mineral Resources Department Siwawong Changkhasiri said he had asked the Thai diplomat who had participated in last week's ITC meeting to urgently telex the 19-point draft agreement. The draft agreement is awaiting approval from the ITC's member governments.

/9274

CSO: 4200/749

THAILAND

NEW FORCE PARTY AGREES ON NEW LEADER

BK280137 Bangkok THE NATION in English 28 Feb 86 p 5

[Text] The executive committee of the New Force Party has agreed to replace well-known singer Suthep Wongkhamhaeng with Dr Prasan Tangchai as leader of the party, an executive member told THE NATION yesterday.

Suraphon Muanphirom said that the "informal decision" was taken with consent from Suthep, who agreed that Prasan was "the best man" to muster support from former party members, politicians and academics because of his good connections.

The party assembly to be held at the Asian Hotel tomorrow is expected to endorse the nomination of Prasan to the post, he said.

"Our party does not adhere to any particular personality. Anyone of us can become party leader," Suraphon said.

Party sources also said that the party intended to persuade PM's Office Ministers Michai Ruchuphan and Dr Kramon Thongthammachart to reactive their roles in the party. They are both still party members, according to the sources.

"We would like them to assume the posts as party advisers to help build up our party," one of them said.

He added that the party also hoped that a number of MP's and academics would join the party to prepare it for the next general elections, scheduled for next year.

Suraphon said he agreed in principle to the proposal for New Force to merge with Social Democrat and Progressive parties but added that differences on the terms and conditions for such a merger had yet to be ironed out.

These included a common party platform, the name of the party and the party structure, he said.

He added that the party assembly expected to discuss the proposal. Executives of the three parties have been holding consultations over the possibility of a merger.

/9274
CSO: 4200/749

THAILAND

FAMILY PLANNING AGENCY VIEWS POPULATION PROBLEM

Bangkok DAO SIAM in Thai 6 Dec 85 pp 1, 2

[Excerpt] On the morning of 5 December, Mr Phichet Sunthonphiphit, the secretary-general of the Family Planning Association of Thailand (FPAT), which is under the patronage of the Princess Mother, said that the population problem is still an important problem. The population is still increasing even though the family planning activities have succeeded in slowing the rate of increase. Specifically, the population growth rate declined from 3 percent a year in 1970 to 1.6 percent in 1984. Since 1979, the family planning agencies have provided service to about 1 million new users a year. But even so, the population problem will remain a problem. Because on the average, Thailand's population is growing by about 1 million people a year.

If the population continues to grow at this rate, this will affect the country's economic and social development. The state will have to spend more on education and public health activities for children for many years to come before they are old enough to enter the labor force. Besides this, there will be an unemployment problem because the number of jobs will remain about the same, or the number will not increase in keeping with the expansion of the labor force. Also, the distribution of the population is not even. People from the rural areas are moving to the large cities to find work. This is causing public health problems in the cities.

Mr Phichet said that the way to solve the population problem is to expand family planning activities in order to increase the number of people receiving family planning services. We must also promote population studies and develop the qualities of the people. This is the line stipulated by the government. In its capacity as a private organization, the FPAT will cooperate with the public sector in carrying on family planning activities and developing the qualities of the people. The association will hold to this line in order to reduce the population growth rate to 1.1 by 1991, which is the target set by the government.

11943

CSO: 4207/162

THAILAND

PRASONG SAYS REFUGEES MUST BE RESETTLED

BK020321 Bangkok BANGKOK POST in English 2 Mar 86 p 3

[Text] Thai officials will begin talks with the UN High Commissioner for Refugees and other international agencies on the fate of some 20,000 Khmer refugees at Khao I-Dang Camp, National Security Council Chief Sqn-Ldr Prasong Sunsiri said last night.

Unless the Khmer refugees at the camp are resettled in third countries by the end of this year, he said, all of them will have to be relocated to border areas where another 250,000 Khmers are camped.

The Khmers currently living in border camps are considered "displaced persons" rather than refugees and are therefore not eligible for resettlement in third countries.

Once the Khmers are moved out, the camp at Khao I-Dang, presently under military control, will be turned into field hospitals for Thais and Khmers living on the border.

Sqn-Ldr Prasong lamented that international attention on the refugee problems in Thailand has waned and said that the Khao I-Dang Camp has become a burden on the country.

The camp has attracted a large number of displaced Khmers on the border who tried to get admitted in the hope of getting permission for resettlement.

He said unofficial talks have been held several times with international organizations but there has been no resolution so far.

Meanwhile, the Associated Press reported yesterday that Thailand will allow officials of third countries to visit and interview Laotian and Vietnamese refugees in camps for possible resettlement.

The camps holding Laotian refugees are located in Na Pho, Ban Winai, Chiang Kham in the northeast. The Vietnamese are held at camps in Sikhiu in Nakhon Ratchasima and Songkhla in the south. These facilities are run by the Interior Ministry.

/9274
CSO: 4200/749

THAILAND

CPM PSYCHOLOGICAL WARFARE EFFORT IN BETONG NOTED

Bangkok DAO SIAM in Thai 12 Jan 86 p 3

[Illegal Way column by Thuan Thapkhai: "Betong Today"]

[Excerpt] After returning from a trip south to Betong a few days after the start of the new year, I felt very good. The atmosphere in Betong and the spirit of the people there was very impressive.

Like other cities along the border, Betong has many problems. But the situation in general is improving. The administrative officials and the officials from other sectors are cooperating with each other in order to improve living conditions and the morale of the people. This is true of the military; the police; the well-known district officer, Mr Direk Thungfang, the star of the Department of Local Administration; and the new head of the provincial court in Betong, Mr Rungrot Runroengwong, who is a very friendly person.

At the start of the new year, news sources and government units received New Year's greetings from the Malaysian communist guerrillas, who were using a psychological ploy to attract the masses. They claimed that it was not their intention to violate Thailand's sovereignty. Rather, they said that their objective is to liberate Malaysia. The clashes with Thai military forces were accidental. They engaged in such clashes only to protect themselves when they had no other choice.

This is another psychological ploy to attract the masses at a time when the influence of the Malaysian communist guerrillas is on the wane. The Thai administrative officials and the Thai military there have succeeded in winning the support of the people. The Thai military has carried out its duty and bravely defended Thailand's sovereignty.

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CSO: 4207/162

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PRK TROOPS SHELL VILLAGE, POLICE HOLD FIRE

Bangkok DAO SIAM in Thai 5 Jan 86 pp 1, 2

[Excerpt] Mr Sa Phonthai, age 50, a Thai citizen who lives at 52 Hamlet 6 in Tha Kham Subdistrict, Aranyaprathet District, Prachinburi Province, informed DAO SIAM that at approximately 1000 hours on 3 January, 10 armed PRK soldiers approached him while he was working in his rice field near Ban Khok Sabaeng. They asked him where Pol Pot's forces were. He told them that he did not know and that he had not seen any of Pol Pot's troops for a long time. Before leaving, the PRK soldiers warned him that if he sees any Pol Pot soldiers and does not inform them, they will fire artillery to destroy his village. They then crossed back into Cambodia.

Besides this, DAO SIAM talked with Mr Kinlai Saeklang, another villager who lives in Hamlet 12 in Tha Kham Subdistrict. He said that he had heard a loud explosion inside Cambodia. After that, three armed PRK soldiers had approached him in his rice field and asked him where they were. He told them that they were in Thailand. The PRK soldiers told him that their squad had had 10 men. They had entered a minefield. One soldier was killed and two were injured. The others thought that they were under attack by Pol Pot forces and so they fled to Thailand by mistake. After that, the three PRK soldiers crossed back into Cambodia.

At 1925 hours that same day, villagers heard two loud explosions inside Cambodia. A short time later, PRK forces stationed along the Thai-Cambodian border fired 60 and 82mm mortars at Ban Khok Sabaeng. Approximately 20 rounds landed in the rice fields. Only 10 of the rounds exploded. The others were duds. When Police Maj Kosin Bunsang, the commander of CK 2, Region 2 Border Patrol Police Precinct, learned of this, he ordered Thai officials not to return the fire but to remain on the alert. He then reported the matter to his superiors.

11943

CSO: 4207/162

THAILAND

STRONG DEFENSE NEEDED TO DETER SRV INTRUSIONS

BK220109 Bangkok THE NATION in English 22 Feb 86 p 4

[Editorial: "Only Strong Response Will Halt Vietnamese Intrusions"]

[Text] What the Vietnamese troops were doing five kilometres inside Thai territory last week in Ubon Ratchathani is not known but they certainly were not there to fight any Khmer resistance forces or the Thai troops. The only reason that we can think of is that they were on a mission to plant booby traps and land mines. Unfortunately they seem to have done a good job at that because four Thai soldiers have been killed and four others wounded by booby traps.

This is not the first incursion into Thai territory during this dry season although there were many more and for longer periods during the last. Thailand has brought the matter up before the United Nations several times and the UN has warned Vietnam against it. But since the UN is not in any way respected by the Vietnamese, the whole exercise seems pointless--year after year since 1979 there have been UN resolutions asking Vietnamese troops to leave Kampuchea but Hanoi doesn't even seem to bother to listen to it.

Since the only language they seem to understand is that of bullets and bombs, we hope the message was conveyed to them clearly when Royal Thai Air Force planes strafed and bombed the intruding Vietnamese troops when they holed up in the three strategic hills in Nam Yuen District. It is important that Hanoi realizes that any violation of Thai territory will meet with reaction from our armed forces since otherwise the Vietnamese forces will constantly try to probe across the Thai-Kampuchean border.

It is also heartening to know that the U.S. realizes this. It has been reported that two-thirds of U.S. economic and military aid to Asian nations will go to "threatened or vulnerable" countries. We do not like Thailand to be placed under this category but we must face the realities--the reality, for instance, of frequent violations of Thai soil by the Vietnamese. The other two countries are South Korea and the Philippines.

Because of the chaos that ranges over the Philippines, whether the U.S. will actually channel economic and military aid to that country is not certain. U.S. Secretary of State George Shultz has said that Thailand is devoting

considerable resources to military modernization and creating a "credible deterrent to Vietnamese aggression." He reading of the situation is quite correct.

In the final analysis of course Thailand will have to depend on its own armed forces to stave off aggression but in this we will require assistance in making our armed forces more sophisticated because the Vietnamese are getting the latest Soviet weapons. From a geopolitical point of view, nobody expects Vietnam to mount to all-out attack on Thailand since she is not even able to digest Kampuchea yet. And for the present at least, the strengthening of the armed forces is necessary because any intrusions into Thai territory by the Vietnamese should be dealt with immediately and with full force.

/9274

CSO: 4200/749

THAILAND

KUOMINTANG LEADER ON FIGHTING AMONG BURMESE REBEL GROUPS

BK200143 Bangkok THE NATION in English 20 Feb 86 p 5

[By Somchai Hansa]

[Text] Chiang Mai--The Chinese Kuomintang (KMT) forces will step up cooperation with the Wa minority group to fight against the Shan United Army (SUA) of notorious narcotic kingpin Khun Sa, a KMT leader said recently.

Lau Wang, the KMT chief-of-staff, told THE NATION that about 500 KMT soldiers are currently working as staff officers in the Wa National Army (WNA), one of the several armed minority groups fighting Rangoon government for autonomy in Burma.

He said the KMT forces have been lending their support to the WNA plan to drive guerrillas of Khun Sa out of their stronghold at Doi Lang Mountain on the Thai-Burmese border area opposite Mae Ai District of this province.

He said he had suggested the WNA leaders to change their military tactics and to replace some of the WNA staff officers due to the inefficiency of the recent WNA operation against the SUA guerrillas on the Thai-Burmese frontier.

The chief-of-staff said the WNA forces should switch their conventional tactics to guerrillas warfare against the SUA because the SUA guerrillas are more skillful than those of the WNA.

Lau Wang said the KMT is currently trying to reunite its forces by mobilizing remnants of its troops scattering along the Thai-Burmese frontier from Chiang Rai to Mae Hong Son Provinces. The KMT has so far managed to gather about 2,000 troops while 2,000 others are still scattered along the border.

He also said the KMT recently replaced its military leaders and other senior officers with younger ones. Lau Lee, former KMT commander-in-chief, was replaced by his son, Chiang, who graduated from the United States, he added.

Elderly soldiers of the KMT would be retired and replaced by younger ones, aged over 15, "who have stronger health and harder mind," according to the chief-of-staff.

Lau Wang also welcomed the recent reorganization in the WNA forces. According to a senior WNA official, Ai Ya Shue, the WNA military leader, was appointed the Wa premier while his wife, Li Yi Feng, was appointed the WNA commander-in-chief.

Li Yi Feng told THE NATION that the reorganization was carried out to improve the WNA line of command and cooperation with the KMT. The WNA forces have about [number indistinct], she claimed.

/9274

CSO: 4200/749

THAILAND

TRAFFICKERS BUY WEAPONS FROM CGDK FOR SALE TO KARENS

Bangkok DAO SIAM in Thai 18 Jan 86 pp 1, 2

[Excerpt] A DAO SIAM reporter in Aranyaprathet District, Prachinburi Province, reported that at 0800 hours on 17 January, while Lt Chatmongkhon Koetpan, the leader of the 1st Small-Arms Platoon, Company 1, 903d CK Infantry Battalion, stationed at Ban Khok Sung in Khok Sung Subdistrict, Taphraya District, Prachinburi Province, and his men were setting up a checkpoint at Ban Khok Sung, a yellow Hylak pickup truck, license No 4342, drove up to the checkpoint. The two soldiers in the truck looked suspicious and so the officials signaled it to stop for inspection. On the truck, the officials found a 200-liter water tank, which had been split in half, containing 5 AK rifles, 5 ammunition clips, 2,483 rounds of ammunition, 2 RPGs, 63 RPG rounds, 5 RPG 7s, 70 bars of RPG explosives, 68 RPG "din khayai," 1 field pack and 1 dufflebag. The officials arrested Mr Songphon Khamsa-at and Mr Yim Khruacha, who live in Ban Khok Sung, Khok Sunk Subdistrict, Taphraya District, Prachinburi Province. They were dressed as army privates. They were turned over to Police Sublieutenant Bunsong Charoenphanit, the inspector for investigation at the Prachinburi provincial police station in Taphraya district, for further investigation of the case.

During the interrogation, Mr Songphon and Mr Yim confessed that they were not soldiers and that they had been purchasing weapons from Khmer troops for several years. They purchased RPGs for 1,500-1,700 baht apiece and sold them to Karen troops for 7,000-8,000 baht apiece. They purchased AK rifles for 1,000-1,500 baht apiece and sold them for 3,500-4,000 baht. M-16 rifles cost them 500-700 baht apiece, which they sold for 3,500-4,000 baht. They purchased grenades for 30-50 baht apiece and sold them for 150 baht. They purchased AK ammunition for 1 baht per round and sold them for 8-10 baht. RPG rounds cost them 150 baht per round, which they then sold for 1,200-1,500 baht. They had dressed like soldiers and changed the vehicle license because this made it easier to pass through the inspection points. Usually, soldiers let them pass without making an inspection. The two men were detained on charges of possessing weapons and ammunition for which a license cannot be issued and impersonating soldiers.

11943
CSO: 4207/162

THAILAND

SITTHI DISCUSSES BURMA VISIT WITH DAILY

BK030133 Bangkok THE NATION in English 3 Mar 86 p 3

[By Suthichai Yun]

[Text] Rangoon--The old-fashioned fan turns lazily on the ceiling. The Government Guest House looks serene, apparently newly renovated. "The chairman is ready to meet you now, sir," Deputy Prime Minister and Foreign Minister ACM [Air Chief Marshal] Sitthi Sawetsila was told by a senior Burmese Government official. The meeting was not specified in the official programme.

The beginning of the official visit by the Thai delegation last Monday got off to an encouraging start. Chairman U Ne Win of Burma's Socialist Programme Party (BSPP) spent more than one hour with ACM Sitthi and Thai Ambassador to Rangoon Thongchan Chotikasathian.

The discussions lasted longer than had been expected--and ACM Sitthi emerged with the sense of satisfaction that Thailand's message of goodwill and sincerity had been conveyed.

U Ne Win, Burma's strongman, touched on the subject when he met Sitthi, noting that the decline in prices of commodities in the world market has put developing countries, including Burma and Thailand, both agriculture-based countries, in a difficult position. There was agreement that small developing countries should work together to ward off the adverse consequences of such a trend.

That statement obviously struck a positive note, especially when Sitthi was told that Burma and Thailand should "leave the past alone" and "begin a new era of close relationship."

/9274

CSO: 4200/749

THAILAND

DUTCH NAVY WARSHIPS MAKE 4-DAY PORT CALL

BK020320 Bangkok BANGKOK POST in English 2 Mar 86 p 3

[Text] A squadron of warships of the Royal Netherlands Navy sailed into Bangkok yesterday for a four-day visit.

The squadron, under the command of Rear Admiral An Van Renesse, comprises the flagship "MNLMS de Ruyter" and the frigates "van Kinsbergen," "Jan van Brakel" and "Collenburgh."

The ships will be open for public viewing between 2 and 5 p.m. starting today. The four vessels will berth at Khlong Toei in front of the Port Authority of Thailand Office.

The squadron will also put on a trade exhibition to promote Dutch high-technology products. Highlights of the display will be the Netherlands' expertise in shipbuilding and design, ship repairs, marine transport, maritime and industrial electronics as well as engineering consultancy services.

Meanwhile, two British Royal Navy ships will join a Royal Thai Navy task force this week for an exercise off the coast of Songkhla Province.

The two Peacock Class vessels, "HMS Swallow" and HMS Peacock," are members of the Hong Kong-based Royal Navy Patrol Squadron. They will call

They will call at Songkhla on Tuesday and depart on Friday for Bangkok.

The British boats, under the command of Lt-Cdr Mike Critchley and Lt-Cdr Richard Albery, are expected to sail into Bangkok on 9 March.

/9274

CSO: 4200/749

THAILAND

BRIEFS

TRADE AGREEMENT WITH GABON--Thailand and the Republic of Gabon on Friday signed three memoranda aimed at boosting bilateral relations, trade, and cultural and technological cooperation, Deputy Industry Minister Michai Wirawaithaya said. Signing on behalf of their respective countries were Industry Minister Chirayu Itsarangkun na Ayutthaya and George Issembe, special adviser to the Foreign Relations Department of the Gabonese President's Office. [Excerpt] [Bangkok BANGKOK POST in English 17 Feb 86 p 15 BK] /9274

CANADIAN REFUGEE AID--Canada has donated Canadian \$500,000 (about nine million baht) in humanitarian assistance to displaced Kampuchean along the Thai-Kampuchean border. This grant is the second half of the 1985-86 contribution of Canadian \$1,000,000. These funds will be administered by the United Nations Border Relief Operation (UNBRO) to cover food, shelter and miscellaneous expenses of the approximate 250,000 displaced Khmers living along the border. Separate contributions have also been made to the International Committee of the Red Cross and the United Nations High Commissioner for Refugees. [Text] [Bangkok THE NATION in English 18 Feb 86 BK] /9274

MINISTRY ISSUES REFUGEE RESETTLEMENT LETTERS--The Interior Ministry has officially informed foreign aid agencies dealing with the resettlement of Indochinese refugees in Thailand that the refugees in the ministry's controlled camps are now eligible to go to third countries. The message is contained in two letters delivered to the agencies on Thursday. The first letter was addressed to the UN High Commissioner for Refugees here. The other was sent to foreign embassies whose governments have been taking Indochinese refugees from Thailand for resettlement. The Interior Ministry said that the ministry's new policy is to permit every Laotian and Vietnamese illegal immigrant at four villages in the northeast and the north to go to third countries. The four villages include Ban Na Pho in Nakhon Phanom, Si Khieu in Nakhon Ratchasima, and Ban Winai in Loei Province in the northeast, and Chiang Kham in the northern province of Phayao. The new policy is effective until the end of this year. [Text] [Bangkok Domestic Service in English 0000 GMT 2 Mar 86 BK] /9274

SCIENCE MINISTER RESUMES WORK--Lek Nan yesterday resumed his work at the Science, Technology and Energy Ministry after having been hospitalized since 4 February. The minister, who yesterday attended a seminar at the Government

House, told reporters he still had to say overnight at Bangkok General Hospital. Lek was rushed to the hospital on 4 February after he developed chest pains while attending a weekly Cabinet meeting. There were rumours that he had resigned from the ministerial post and from the Democrat Party which he serves as the secretary. Lek, however, denied the rumours. [Text] [Bangkok THE NATION in English 27 Feb 86 p 3 BK] /9274

WEAPONS ENROUTE TO BURMA BORDER--At 0300 hours on 17 December, Police Maj Bancha Pantharangkun, the inspector at Section 3, Police Precinct 7, Suppression Division, Police Lt Songchai Thepsan, the deputy inspector at Section 3, Precinct 7, and the officials stationed at the Salok Bat Checkpoint in Khanu Woralaksaburi District, Kamphaengphet Province, searched a tour bus, license No NW 10-0252, bus No 18-23, belonging to the Thawon Farm Tour Company. The bus was operating between Bangkok and Mae Sot. Officials found six M-79s and five RPGs. The weapons were found in six brown cardboard boxes that had been placed in the luggage hold on the right side of the bus. The police questioned all the passengers, all of whom denied being the owner of the boxes, and confirmed which pieces of luggage belonged to which passenger. Besides this, the driver and his assistants did not know to whom the boxes belonged. Thus, the officials arrested Mr Phat Yomma, age 50, the driver, who lives at Ng/88 in Dao Dung Subdistrict, Muang District, Nakhon Sawan Province, and Mr Suchat Watta, age 20, an assistant, who lives in Bang Phra Subdistrict, Siracha District, Chonburi Province, and Mr Khamchom Thawonarot, age 20, an assistant, who lives at 56 Hamlet 2 in Nong Ping Subdistrict, Muang District, Nakhon Sawan Province. They were charged with possessing weapons for which a license cannot be issued. [Excerpt] [Bangkok DAO SIAM in Thai 18 Dec 85 pp 1, 2] 11943

OPEN BORDER WITH LAOS--Nakhon Phanom has asked the 2d Army Region and the Ministry of Interior to open the Thai-Lao border in order to help the local economy. Mr Wichian Wityophat, the deputy governor of Nakhon Phanom Province, told DAO SIAM that Mr Uthai Nakpricha, the governor of Nakhon Phanom Province, has sent a letter to the 2d Army Region in Nakhon Ratchasima Province and to the Ministry of Interior asking permission to open another border point and allow free trade between Muang District in Nakhon Phanom Province and Thakhek District in Laos. They have asked permission to open another border point in order to help improve the economic situation of the people living along the border and to increase state revenues from trade taxes. Because at present, smuggling is rife. "According to the plan, villagers will be allowed to trade with each other freely. However, a customs checkpoint will be established just as in Nong Khai and Mukdahan provinces," said a news source. [Text] [Bangkok DAO SIAM in Thai 11 Dec 85 pp 3, 12] 11943

CSO: 4207/162

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

SIHANOUK ENVOY SAYS SRV TO ATTACK REFUGEES

BK260925 Kuala Lumpur BERNAMA in English 0914 GMT 26 Feb 86

[By L. D. Baptist]

[Text] Bangkok, 26 Feb (OANA-BERNAMA)--Vietnamese troops are planning to attack a Sihanoukist civilian camp in Thailand, Sihanouk's personal representative in Bangkok said today.

Quoting "highly reliable reports" it added the Vietnamese had decided at a meeting in its regional headquarters in Siem Reap last month to attack Site B, located 12 Kms inside Thailand's northeastern province of Surin, about 500 Km from here.

A statement made available here said the Vietnamese attack on Site B would constitute an act of aggression against Thailand as well as breaching fundamental international laws.

"Such a Vietnamese attack would also make a mockery of the recent statement issued in Vientiane by Vietnam and its subordinates...and further hinder any progress made towards a negotiated political settlement of the Kampuchean problem," it added.

The statement also said that the attack would be tantamount to a criminal attack on innocent civilians who escaped Vietnam's domination by seeking refuge in Thailand.

Site B, also known as Camp David, houses about 40,000 Khmers loyal to former Kampuchean monarch, Prince Norodom Sihanouk, who heads the UN-recognized Coalition Government of Democratic Kampuchea (CGDK), supported by ASEAN.

The bulk of the civilians were evacuated from their original camp, known as Greenhill, to Camp David, about 8 Kms inside Thailand in April 1984 in anticipation of a Vietnamese attack on the Sihanoukist's Tatum stronghold.

The Camp David population was evacuated to a safer location further inland last March during the last Vietnamese dry-season offensive for fear of shelling by enemy artillery.

Except for sporadic clashes between Thai patrols and intruding Vietnamese forces, there has been little Vietnamese military action against the Khmer resistance along the border during the current dry season.

Khmer resistance guerrillas, operating as close as the Kampuchean capital of Phnom Penh, were reported to be keeping Vietnamese forces busy in the Kampuchean interior.

/9274

CSO: 4200/750

COALITION GOVERNMENT OF DEMOCRATIC CAMBODIA

SUPREME COMMAND REPORTS ON CAMBODIAN RESISTANCE

BK220105 Bangkok THE NATION in English 22 Feb 86 p 2

[Text] Vietnam has been forced to pull back five to six regiments of troops from the Thai-Kampuchean frontier to the interior of Kampuchea due to heavy harassment by Khmer resistance guerrillas in urban areas and along logistic routes, the Supreme Command said yesterday.

Resistance guerrillas along the border have also split into smaller units to make it harder for a Vietnamese border offensive, it said.

Due to these factors, the border offensive this year was less severe than previous dry-season onslaughts, it added.

Meanwhile, the Vietnamese continued their efforts to seal the border. They have denuded dense jungle in some border areas, planted up to 75,900 booby traps and put up about 256,000 spikes along the border areas adjacent to Laos and northern Kampuchea to hamper resistance activities and the escape of Khmer villagers across the border into Thai territory.

The Supreme Command reported that fighting in the inland areas of Kampuchea has escalated because the resistance guerrillas have stepped up military activity.

The resistance is active in Seam Reap, Oddar Meanchey, Battambang, Kampong Thom and Kampong Chhnang. As a result, the Vietnamese were forced to stage more air strikes to support ground operations.

The Supreme Command said that the resistance guerrillas killed 980 Vietnamese troops and wounded 769, blew up three oil and arms depots and put out of action three tanks during their operations from last November until the end of last month.

It said that the 307th and 315th divisions of the Vietnamese Army denuded a 125-km stretch of jungle along the border east of Preah Vihear mountain and cut down trees along 20-30 kms of the Kampuchean-Lao border.

The Fourth Vietnamese Division also planted 1,500 landmines and 5,000 spikes in a border area opposite Klong Yai District of Trat on 30 January, it said.

The Supreme Command called on all international human rights organizations to condemn the Vietnamese action.

The Vietnamese moved construction material from Sisophon District into areas under the jurisdiction of Poi Pet District opposite the Aranyaprathet District of Thailand over the past week, it reported.

In Thmar Puok District opposite Ta Phraya District, the 75th Vietnamese Division had completed part of the work on barricades along the border and moved back from the district town to Preah Net Preah District in Battambang Province.

The Fourth Division of the Heng Samrin force was moved to Thmar Puok to fill the vacuum, the Supreme Command said.

/9274

CSO: 4200/750

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

INTERNAL STRUGGLE CONTINUES TO PLAGUE KPNLF

HK210942 Hong Kong AFP in English 0912 GMT 21 Feb 86

[By Francis Deron]

[Text] Bangkok, 20 Feb (AFP)--A crisis in one of the three Cambodian resistance factions was today shrouded in confusion after a statement by its leader that an internal quarrel now entering its third month had been resolved.

Members of a dissident group that said they had deposed Son Sann from the leadership of the Khmer People's National Liberation Front (KPNLF), refused to comment on a statement he made Wednesday.

Mr Son Sann said he had expelled his two principal opponents and named a new military command.

"We prefer not to comment, in order not to inflame things," said one of the dissidents, who requested anonymity.

"But we still exist and have no intention of dissolving ourselves."

Anotehr dissident said leaders of his group had gone to the Cambodian border for consultations with KPNLF field commanders.

The internal bickering began mid-December and has virtually paralyzed the KPNLF's fighting force of 15,000 guerrillas, the larger of the two non-communist factions allied with the communist Khmer Rouge in opposing the Vietnamese military presence in Cambodia.

The dissidents accused Mr Son Sann of blocking increased collaboration with the other non-communist faction, led by Prince Norodom Sihanouk.

A diplomat of the Association of Southeast Asian Nations (ASEAN), which gives political support to Cambodian resistance fighters battling an estimated 150,000 to 170,000 Vietnamese soldiers deployed in Cambodia, said he felt the crisis had not been resolved despite Mr Son Sann's statement to the contrary.

"Now we have to see what the (KPNLF) field commanders will say," the diplomat said.

But he added: "We're not willing to wait too long."

Observers said the KPNLF had been reduced to a loose alliance of military groups operating independently of any common leadership.

Mr Son Sann named General Prom Vith, a military leader who remained neutral in the internal dispute, to head the KPNLF forces, but it was not known today whether he had accepted the post.

The dissidents are led by General Sak Sutsakharn, who Mr Son Sann has dismissed as chief of staff.

Non-communist Cambodian resistance resources said Mr Son Sann had been encouraged to expel the principal dissidents from the leadership of the movement--and to expel some from movement altogether--by a telegram of support he had received from Prince Sihanouk last week.

The same sources said China had let it be known to the non-communist resistance factions that its support depended on their ability to maintain unity according to the terms set out at the formation of the anti-Vietnamese coalition in 1982, under which responsibilities are to be shared among the Khmer Rouge, the KPNLF and Prince Sihanouk's forces.

The pro-Chinese Khmer Rouge, with 35,000 guerrillas, is the strongest resistance faction and the most effective fighting force, according to Western military experts.

The tripartite coalition is recognized by the United Nations as the sole legitimate government of Cambodia.

The KPNLF has under its control about 150,000 civilians housed since last year in precarious conditions in temporary camps close to the Cambodian border in Thailand.

/9274

CSO: 4200/750

MILITARY AFFAIRS AND PUBLIC SECURITY

HAI HUNG PROVINCE RESISTS ILLEGAL LAND USE

Hanoi NHAN DAN in Vietnamese 7 Jan 86 p 2

['Results of Readers' Letters' column: "Illegal Land Distribution in Hai Hung"]

[Text] In 1985, NHAN DAN published a number of readers' letters and forwarded a number of others concerning the discovery of many cases of encroachment and illegal distribution and use of land. The Hai Hung field management committee investigated these discoveries by NHAN DAN's readers and confirmed that during a period of only 2 years, the villages of Phuong Ky arbitrarily distributed more than 10 hectares of cultivated land. Units such as Chau Giang X.67 Enterprise and Cau Che Duck Breeding Farm in Cam Binh District, and the To Hieu Middle Level Agricultural School were issued land for use without leasing or renting or for dozens of families of cadres, workers and civil servants to build homes.

Summarizing the work of classification survey and land registration at the end of 1985, the entire province had 27,284 cases of encroachment, invalid land distribution and illegal land sales. In coordination with enforcement agencies, the field management committee has prosecuted nearly 4,000 cases involving serious violations.

With the guidance of upper echelons, the villages of Me So in Chau Giang District, Hung Son in Ninh Thanh District, and Hien Nam in Hung Yen City have promptly halted many cases of land encroachment and illegal land use, raising the confidence of the people in the position of the party and the policies of the state on the management and use of land, and assisting to strengthen unity in the party and among the masses.

Nevertheless, in the examination of violations, various locations only confirm, discuss and propose methods of treatment. The inspection and supervision of compliance are still not constant. The field management committee continues to review and promptly correct locations using land in an irrational manner, has methods to protect the land, resist erosion, and unceasingly raise fertility, and is striving to maintain an average per capita farmland area of not less than 700 square meters, and to introduce land management and use precisely in accordance with state law.

Cam Tu
Field Management Committee
Hai Hung Province

MILITARY AFFAIRS AND PUBLIC SECURITY

GROUP B90 STEPS UP DISCIPLINARY TRAINING

Hanoi NHAN DAN in Vietnamese 6 Jan 86 p 3

[Article by Col Nguyen Huy Hieu: "Group B90 Conducts Troop Disciplinary Training"]

[Text] Troop disciplinary training must first of all be conducted through persuasive education but the ideological work does not stop at that. Along with education on regulations and the qualities and responsibilities of a soldier in the army, Group B90 has also applied many other rich forms and methods to perform the ideological work.

Gaining experience through each phase and year, the echelons, sectors and each cadre and soldier clearly understand the important significance of executing discipline in building the unit and forging the qualities and qualifications of the new life style military individual and the socialist man while simultaneously seeking the reasons for strengths and weaknesses and setting forth a struggle course. Party and group organizations hold discussions, build determination, and formulate specific struggle plans. In achievement of military discipline, along with profound internal propaganda and education on the theme of the ten-point program within the unit, we join the local area in united opinions on many specific themes, including the establishment of a security belt, and join to participate in troop disciplinary training. The arrangement of conferences is also an effective educational form. Our group has held six-part conferences (consisting of the troop mess, supply receipt, management, warehouse, medical and command sections) to raise the quality of meals while simultaneously halting occurrences in which the standards of the troops were violated. Then there have been safe driving conferences, conferences of good teacher and excellent student cadres and men for increased efficiency and strict discipline; conferences for men with high level skills; conferences for cadres with a low level of mission completion; and conferences for cadres close to home with the purpose of stimulating the responsibility of each man to the group within each assigned post and responsibility. Each such conference is both a result of and an initiation of emulation campaigns. From them are developed new factors and new typical models, mobilizing and exhorting the cadres and men to achieve outstanding skills, high achievements and strict discipline; and correcting weak and substandard units, cadres and men. They also have an effect of resolving the central problems of each sector and task, and of teaching lessons in disciplinary training.

In ideological work, our group gives extreme attention to the individual and to education on central missions. Last year, the group received many central missions, including phases of sending troops on distant missions. For each such

phase, we organized detailed and profound education and sent cadres down to coordinate with the primary level cadres in considering and resolving every problem for units departing to properly meet the requirements of upper echelons. Only one unit leaving puts the entire group in high spirits. Everybody joined in submitting volunteer applications. The units also dispatched representatives to bid farewell and present gifts to the cadres and men departing on their mission. Thanks to these measures, the troop departure phases were ensured of all troops reaching their objective safely, maintenance of discipline, and achievements from the very first day and phase of beginning their mission.

Along with ideological education, extreme emphasis is required for methods of organizing achievement, management, and training of discipline for the troops. We profoundly realize that the quality of education without active methods to maintain discipline will be extremely limited. All echelons must set forth programs precisely in accordance with the situation of their own unit, conduct resolute organization and institute rich methods in all four, military, political, rear services and technical, work aspects.

Maintenance of stipulated systems such as section, combat and night watches, patrol and guard duty, registration and account book inspection, etc. is an important method. However, stipulations must be closely connected with inspection. Monthly, the group uniformly conducts a command inspection of the unit. Quarterly, reciprocal inspections between units and agencies are conducted. Each unit conducts a monthly inspection of detachments and a weekly inspection of companies. The youth union holds reciprocal inspections between basic level group organizations and joint chapters. Through inspection, those units with serious incidents or tasks or those abandoning their night watch system have points deducted while units properly completing their central missions are awarded emulation points. Besides maintaining the systems and inspections of the commander, the group has also stepped up inspections outside the quarters area with military control units. During each period necessary, units form inspection teams to maintain discipline and troop behavior. Monthly and quarterly, units assigned to the area shift report the situation, exchange experience and discuss methods of coordination to maintain order and security. Subordinate units of the group coordinate with each village and hamlet to form a security belt around the billeting area.

Along with the general regulations and stipulations, the group has formulated separate and specific stipulations and provisions such as designating the first Friday of each month as party and union day; each Saturday as technical day; evenings from the 8th to the 10th each month for open economy; the 29th of each month for study of the legal system; each Saturday afternoon for a meal self-managed by the youths, etc.

An important method making an active contribution to maintaining discipline in the unit is the promotion of emulation movements to unceasingly raise the material and spiritual lives of the troops. This is an effective method. We constantly launch emulation movement with themes and norms closely connected with the theme of executing discipline. In the emulation movements; training exercises, brick manufacture, lime baking, construction, transportation of materials by rudimentary vehicles, carpentry, excellent teacher, propaganda member, etc., the youths are the assault force.

Last year, the group organized five trips for outstanding cadres, soldiers, and party and union members to Hanoi to pay their respects to Uncle Ho and to visit museums, the construction projects at the Hoa Binh Hydroelectric Power Plant and Thang Long Bridge, and to Quang Tri--the former battlefield of the group. Moreover, the group also makes appropriate awards to collectives and individuals outstandingly completing their mission, making valuable contributions, and benefiting the group.

7300

CSO: 4209/282

JPRS-SEA-86-050
20 March 1986

INTERNATIONAL RELATIONS, TRADE, AND AID

ACTIVITIES WELCOME 27TH CPSU CONGRESS

OW261950 Hanoi VNA in English 1606 GMT 26 Feb 86

[Text] Hanoi, 26 Feb (VNA)--A meeting to greet the 27th Congress of the Communist Party of the Soviet Union was organized at the Friendship House in Ho Chi Minh City yesterday.

Present at the 1,000-strong meeting, sponsored by the committee for solidarity and friendship with peoples of other countries and the chapter of the Vietnam-USSR Friendship Association of Ho Chi Minh City, was the Soviet consul general in the city.

The same day, a 200-photo exhibition on the great achievements of the Soviet people was opened in the city.

A Soviet film program will be organized from 1 to 6 March in nine provinces and cities throughout Vietnam to welcome the current 27th CPSU Congress.

Many Soviet films, including those which won prizes at the 1985 Moscow film festival, will be shown during the week.

A film show was held here today by the Executive Committee of the Vietnam-USSR Friendship Association to mark the 68th founding anniversary of the Soviet Army and Navy.

/8309

CSO: 4200/746

INTERNATIONAL RELATIONS, TRADE, AND AID

READER CRITICIZES SHADY EXPORT PRACTICES

Hanoi NHAN DAN in Vietnamese 6 Jan 86 p 2

['Readers' Letters' column: "Deviate Export Activities"]

[Text] Many districts have established export goods requisition and purchase corporations with an annual turnover approaching tens of thousands of dong. The mission of these corporations is clearly assigned, assisting through business to stimulate grain and food production and the production of local export goods. Recently however, many corporations have purchased goods in the "back yard" of neighboring districts, leading to a situation of arbitrarily elevated prices. Many corporations have utilized private merchants to gather in and scrape up goods, especially various types of agricultural products.

Many districts have used grain and commodity funds to contribute capital for exports. Instead of investing it in fertilizer, insecticides, etc. to properly support agricultural production, the corporations have used it to barter for and purchase consumer goods for resale at the highest profit whether or not they are beneficial or harmful to production in the local area.

Export profits and awards are usually not shared with cooperative units and the direct producers. Many types of expensive items such as motorcycles are set at a low list price in order to share the sales with cadres in official posts with a formula of gradual repayment!

Minh Tri
Ministry of Foreign Trade

7300
CSO: 4209/282

INTERNATIONAL RELATIONS, TRADE, AND AID

TRUONG CHINH, PHAM VAN DONG GREET SARHAWIS

OW261942 Hanoi VNA in English 1604 GMT 26 Feb 86

[Text] Hanoi, 26 Feb (VNA)--President of the State Council Truong Chinh and chairman of the Council of Ministers Pham Van Dong today extended warmest greetings to President Mohamed Abdelaziz [spelling of name as received] and Prime Minister Mohamed Lamine Ahmed [spelling of name as received] on the 10th National Day of the Sarhawi Arab Democratic Republic (Feb. 26)

The congratulatory message reads:

"The Vietnamese people have followed with deep sympathy the brave struggle of the people of Sarhawi for their sacred national rights and are elated at the great achievements made over the past years by the Sarhawi people under the leadership of the Polisario Front and the Government of the Sarhawi Arab Democratic Republic.

"We avail ourselves of this occasion to reaffirm the continuous support of the Vietnamese people and government for the just struggle of the Sarhawi people to gain the right to self-determination and national independence.

"May the combatant solidarity and friendly relations between the two peoples further consolidate and develop."

On this occasion, Foreign Minister Nguyen Co Thach has also sent a greeting message to his Sarhawi counterpart, Omar Mansour. [spelling of name as received]

/8309

CSO: 4200/746

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN CONDEMNS MURDER OF LEBANESE CP MEMBER

OW280825 Hanoi VNA in English 0709 GMT 28 Feb 86

[Text] Hanoi, 28 Feb (VNA)--The recent assassination of Khalil Nava, member of the Lebanese Communist Party Central Committee, is a new and odious crime committed by Zionists and other ultra-rightists in Lebanon, says NHAN DAN in a commentary today.

The Vietnamese national daily points out that the Lebanese Communist Party has since long marched in the van in the struggle of patriotic and progressive forces in Lebanon against the U.S. and Israel's policy of intervention and aggression, for their sacred fundamental rights. [sentence as received]

"The assassination of Khalil Nava," the paper says, "is aimed at weakening the Lebanese Communist Party and blur its role in the struggle of patriotic and progressive forces in the country. Tel Aviv and Washington are using Lebanese ultra-rightists to carry out their scheme to turn Lebanon into a springboard to attack Arab countries and impose on them a solution benefiting the United States in the Middle East."

NHAN DAN notes that this crime was committed after three days of large-scale attacks by the Zionists, involving aircraft and warships prowling off Sidon port, and heavy bombardments of many villages and populous areas in southern Lebanon, killing and wounding many people. These facts show that Israel's so-called "partial withdrawal" plan is merely a deception. The real schemes of the United States and Israel have not changed a bit.

"Together with the whole of progressive mankind, we demand that the Zionists and their henchmen stop their criminal acts against the Lebanese Communist Party and other patriotic and progressive forces in Lebanon, and that the Israeli aggressors withdraw from southern Lebanon so that the Lebanese people could decide their own destiny," the paper stresses.

/8309

CSO: 4200/746

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

PRESS CONFERENCE ON GDR ARMY DAY--Hanoi, 27 Feb (VNA)--A press conference on the 30th anniversary of the GDR People's National Army (March 1) was held here on Wednesday by GDR military attache Horst Kerzig. Horst Kerzig highlighted the growth of the national army and its great achievements in defending the country and building socialism. The GDR military attache wished the solidarity and cooperation between the armies and peoples of the GDR and Vietnam further consolidate and develop. [Text] [Hanoi VNA in English 0749 GMT 28 Feb 86] /8309

CSO: 4200/746

20 March 1986

ECONOMIC PLANNING, TRADE, AND FINANCE

ENTERPRISES STILL LACK FULL FINANCIAL AUTONOMY

Hanoi NHAN DAN in Vietnamese 7 Jan 86 p 2

['Economic Forum' column by Do Nguyen Khoat: "Developing Enterprise Financial Autonomy"]

[Text] Recently, implementing Resolutions Six, Seven and Eight of the Party Central Committee (Fifth Session), the state-operated enterprise financial mechanism has had many points corrected and supplemented. These corrections initially have had a good effect on business and production, have encouraged the enterprises to exploit their potential capabilities and to more carefully calculate production and business plans, enterprise work procedures have become more dynamic, and many entanglements have been overcome.

However, the changes have still not answered the requirement for developing the financial autonomy of the enterprise. The greatest shortcoming in the enterprise financial management apparatus has been corrected but after deep thought, there are still many indications of bureaucratic centralism and state subsidization.

Many systems have still not attained rational levels consistent with the situation and conditions of our country. The financial plan in substance is still not being formulated from the primary level. Approved financial norms still do not truly rely on the basis of enterprise calculation. During the management process, upper level management agencies still conduct direct reexamination, inspection and appraisal of each hardship subsidy item, each debt that is hard to repay, each piece of machinery that must be moved, etc. Under the conditions of our country in which there are still many difficulties, raw materials and supplies are scarce, the production plan is still unstable, imbalances exist in many aspects, prices still have many fluctuations, etc., everything must be reported to upper echelons and wait for upper echelon approval, and work is late. In production and business, often because the supply of capital is slow or the purchase of this or that type of material is impromptu, an important opportunity is missed.

In the final analysis, to resist state subsidization, the enterprise must bear extremely high material responsibility for its own work with reward for good work and punishment for bad work; with excessively poor work, the enterprise must close down. In reality, our management mechanism is still used sparingly. For fixed assets that break down prematurely, the enterprise must still figure depreciation but this depreciation must be diverted from the enterprise profits in order to reimburse the budget which means that for three quarters, production development awards and welfare are reduced. Such a stipulation has pushed

the enterprise into paying more attention to the use of fixed assets. However, the enterprise has still not borne mission responsibility for all the losses it caused itself and most are shouldered by production development and the overall interests of the state are adversely affected.

Responsible handling of lost and depleted supplies and commodities is still easygoing. Nearly all are included entirely in costs. During the production process, the enterprise seeks ways of explanation to achieve state supply of fixed as well as liquid assets, the more the better. The obligations of the enterprise to contribute to state funds have no relationship to the amount of production capital the enterprise uses. This is also an extremely important reason for the situation in which the enterprise does not actively and fully utilize all available machinery and equipment capacity, reserve supplies exceed the acceptable stagnation level, turnover is excessively slow, and capital accumulation effectiveness is low.

Although initial attention has been given to cost management, it is still extremely lax. Inspection phase results have shown that the enterprise's capability to reduce costs is generally still extremely great and that norms are still wasteful with many losses and much depletion. Nevertheless, during the process of formulating production cost plans, the irrational factors have not yet been eliminated. Existing abnormalities are: annually, nearly all enterprises attain and exceed the production cost and profits plan but the revenue sources of the state have gradually declined; and when actual production costs rise, the state reduces state-operations income and the amount of profits deposited in the budget.

To develop the financial autonomy of the enterprise, suppose that a number of points concerning aspects of the state-operated enterprise financial management mechanism were corrected and supplemented as follows: the finance plan must be truly formulated from the primary level and calculated on the basis of equilibrium with other plans, especially the material consumption plan. Every effort must be made to overcome a situation in which plans are assigned without material assurance, forcing the enterprise to produce without a production consumption plan.

The finance plan and other plans of the enterprise must be formulated first of all on the basis of signed contracts effective to the middle of the year before the plan year without the necessity of complete formulation on the basis of placing material and distribution norms on paper.

In fixed assets, return to the principle of permitting the enterprise to retain all capital depreciation in order to give active concern to the maintenance and replacement of machinery and equipment without relying on the state. Within the time limit on stipulated depreciation, the enterprise is responsible for depreciation on the principle of ensuring machinery and equipment reproduction calculated in accordance with current prices during the period in which the machinery and equipment was new. Current depreciation rates have only a guidance nature. State transfer of fixed assets must have the agreement of the enterprise. When primary fixed assets must be sold, the enterprise is responsible for informing the immediate upper level management agency. After a fixed

time limit, if no reply is received from that agency, the enterprise may sell in accordance with the submitted plan. When it becomes necessary to write off major fixed assets that break down prematurely, the enterprise informs the immediate higher level management agency and after a fixed period of time without a reply, the enterprise may write off the item in accordance with the reported plan. For fixed assets that have been fully depreciated but are still usable, the enterprise is permitted to continue depreciation with this amount of depreciation deposited in enterprise funds, the level of each fund, whether large or small, decided by the enterprise.

Concerning liquid assets, only when beginning production does the enterprise have a budget that supplies the minimum level of initial capital necessary. After that, depending on the business and production situation, there are many or few fluctuations and besides the portion that is the concern of the enterprise itself, all requirements must be borrowed by the enterprise from the bank. An exception are the enterprises operating on liquid assets supplied by a budget which they use to produce self-acquired capital. After the budget supplies the initial capital, the enterprise is permitted annually to decide the amount of liquid assets necessary for its own business and production with submission to upper echelons for approval.

The enterprise establishes a list and disposition plan on material that is stagnating and slow to turn over for submission to the immediate higher level management agency and after a fixed period of time without a reply has full authority to handle the material in accordance with the reported plan.

In costs, prices and consumption, the use of cost norms as legal norms must be eliminated. At the present time in our country, strong changes are occurring in the production and business situation and under these conditions, the consideration of costs as legal norms restricts the enterprise with many occurrences of accounting lacking honesty and straightforwardness and the transfer of costs from one product to another. The strong stimulation of cost reduction requires a bold policy of encouraging technical improvement and material conservation innovations in comparison with the attrition norms by echelons with approval authority.

Concerning the level and distribution of profits and the division and use of state-operated funds and income, after a rational review of costs and the stipulated level of required profit to provide a sufficient source of capital for the enterprise to achieve financial autonomy, it is necessary to ensure that under normal production and business conditions that costs do not jack up the enterprise prices. The distribution of monetary accumulation created in the production process must be oriented toward methods of: the portion distributed to the state will be collected under various forms of taxation at a fixed level over a number of years; and the remainder is all given to the enterprise. If business is good, after paying the taxes, the enterprise will still have many profits to establish funds and if it is not, the enterprise must bear the responsibility for its own work. During the next few years, due to fluctuations in production, material, price, etc. conditions, it will be impossible to apply the forms of distribution above so the portion of profits deposited in the budget must be fixed in accordance with a plan each year, meaning that

after carefully weighing the various aspects and legal norms on the amount of profit that must be approved and deposited, surely the enterprise must have an obligation to make full payment to the state in accordance with the approved figures. If this portion is incomplete, the enterprise must use award and welfare funds to compensate (naturally under circumstances of misfortune, natural disaster and enemy destruction, the state must provide necessary subsidies); and the portion of profits exceeding planned levels is all left for the enterprise. Only in cases where the award and welfare funds of the enterprise exceed rational levels will the enterprise make additional payments to the state under one form of taxation or another. Such distribution causes the enterprise from the very beginning to develop a high level of creative initiative, avoiding dependence and waiting on the state.

An enterprise with export goods may divert a portion of goods sales foreign exchange for inclusion in the foreign exchange fund. Use of the foreign exchange fund to purchase necessary imported raw materials and supplies for production is decided by the enterprise. The state does not use the amount of foreign exchange located in the foreign exchange fund of the enterprise; if requirements exist for its use, enterprise accord is necessary.

Stipulation of a stable level of state-operation income is not dependent on the annual real production costs of the enterprise. When the prices of various types of materials and products are stipulated by the State Price Commission and the people's committees of the various provinces and changes occur, the enterprise may readjust the plan of profit deposits to the budget.

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CSO: 4209/282

ECONOMIC PLANNING, TRADE, AND FINANCE

SLOW PLAN REVIEW PROCEDURES DELAY PROGRESS

Hanoi NHAN DAN in Vietnamese 6 Jan 86 p 2

['Readers' Letters' column: "Why Is Plan Completion Review Slow?"]

[Text] Every year is the same. In Ha Nam Ninh Province, great effort is expended in the review of plan completion by business and production units. The province waits for reports from the central government; sectors and districts wait for reports from the province; and basic units wait for reports from the sectors. When there is nothing different in the reports of various echelons, it is still necessary to wait. For that very reason, the reviews usually drag on until April and May of the following year and units and individuals have no incentive for completing the plan, adversely affecting work during the next year. During 1985, there were changes in economic management but it seems that things were not much earlier.

The state has had legal documents in use for many years so business and production units will know whether they have achieved their emulation objectives or not. It is unnecessary to wait until the end of the year to issue indicator norms as a basis for review which has no effect on stimulating organization and management improvement or on raising the economic effectiveness of production and business.

Nguyen Giang
Ha Nam Ninh

7300
CSO: 4209/282

AGRICULTURE

MARINE ECONOMIC POTENTIAL DISCUSSED

Hanoi THONG TIN KHOA HOC XA HOI in Vietnamese Jun 85 pp 30-36

[Article by Pham Van Vang: "Economic Potential of Our Sea Region and Our Urgent Tasks in the Immediate Future in the Transitional Period Toward Socialism*"]

[Text] Primary Advantages and Disadvantages in the Exploitation and Use of Marine Economic Potential

From the above analysis of the economic potential of the sea region, we can draw the following advantages and disadvantages in the process of exploiting and using the potential of the sea region:

1. We have a large sea region with abundant reserves of fish, shrimp, and other marine products. The economic value of the sea can materialize in many areas. Therefore, a rational exploitation and use of the sea region creates many advantages for building a totally developed economy which combines economic activities with national defense, and national defense activities with the economy.
2. The development capabilities of marine product breeding and culture in our country are immense. The continental shelf area is approximately three times that of the mainland, and includes many shallow sea zones, moors, and bays that are suitable for the breeding of fish, shrimp, and other valuable marine products.

The sea depth is not too great and offers many advantages for numerous catching and breeding professions. (Footnote 1) (The sea area having depths from 0 to 200 meters takes as much as 60 percent of the exclusive-rights zone, including regions of 0 to 30 meters deep, which take 11 percent and which are now the primary marine product catching places (taking as much as 85 to 90 percent of the output of the zone.) The remainder has depths from 30 to 200 meters, and takes 40.9 percent of the exclusive-rights economic zone where catching activities are marginal, but potential is still very high.)

*This scientific report includes a first part titled, "The Sea and the Economic Potential of the Sea Region," which is omitted here (B.T.).

Areas available for the breeding and culture of various marine products, chiefly special products, are quite extensive. Not including approximately 1 million of hectares of ponds, lakes, marshes, and deadend rivers that allow freshwater fish and shrimp breeding, coastal tidal areas amount to over 300,000 hectares with hundreds of thousands of sea straits and bays suitable to the breeding of fish, shrimp, algae, abalones, tortoise, and mother of pearl, etc. Associating traditional skills of the people with the application of technical progress may allow a rapid development of breeding and culture of salt and brackish water marine products.

3. Breeding and culture of marine products is capable of serving both domestic food needs and exports. Although initial investments may be substantial, high efficiency can be obtained because products can be harvested after a breeding period of between 6 months and 1 year, and therefore, capital investments can be quickly recovered. Moreover, due to the distinctive nature of investments in breeding operations that are usually quite large, invested capital can take various forms, one of which is manual labor used in building physical installations in support of breeding, such as protective dikes, dams, and culverts, etc. Another important form is the conversion of live labor into embodied labor, a method appropriate to the characteristics of labor in the coastal area where its abundance can contribute to a vigorous development of marine agriculture.

In the world nowadays, many countries pay special attention to this production sector that can give large dividends. In Japan, where the fishing industry is strongly developing, breeding and culture of marine products is gradually gaining in importance in shallow sea areas. In just 10 years, between 1958 and 1968, the output of the breeding and culture of salt and brackish water marine products, increased over 2.4 times, and its value increased 4.9 times, including the production of major products such as fish, shrimp, and clams which was stepped up. Thailand is another country keeping a close eye on the development of the breeding and culture of salt and brackish water marine products. In 1962, the output of this sector amounted to only 6,500 tons, but in 1965, only 4 years later, it went up to 26,800 tons, an increase of over four times. India also augmented its export of marine products and in 1970, exported to Hong Kong an amount of products valued at HK \$5 million. Among the socialist nations, Cuba, in 1970, reached an output of 106,500 tons in marine products, an increase of five times compared with 1957. It became one of the Major exporters of lobsters and globefish. Realizing the high returns of this business, capitalist countries entered the race and embarked on specialized development of, or cooperated with other countries in, breeding of marine products for export. Instances of these international ventures were France with Malaysia; Thailand with Denmark and Pakistan; and Japan with Australia, India, Indonesia, and Brazil, etc.

Looking at our country, because of our location at the center of the world in terms of crustacean and mollusk reserves, and also because of the suitability of our coastal structure and climatic conditions for the

living environment of marine products, export businesses dealing with the latter are economically very efficient. With the present method of "extensive culture," each hectare of water surface can yield several hundred dollars. If intensive culture is used and progressive technical methods are applied in breeding and processing, results can even be much better. At present, we can export annually 30,000 to 40,000 tons of marine products, primarily shrimp, with an income of \$80 to 100 million. It is estimated that we can reach as much as 150,000 to 200,000 tons by the year 2000 with an annual income of between \$350 to 400 million. Most noteworthy and of great economic significance is the fact that although the marine-product sector employs now less than 1 percent of the national labor force, it produces and exports products worth \$100 million, an amount in excess of 17 percent of the total value of all nationwide exports. Therefore, the participation of the marine-product sector in export activities not only enables it to pay for its own expenses, but also contributes to balancing income and expenses in exports and imports, and to addressing the needs of accumulating the assets of industrialization, which is a vital need for the present as well as for the future. In sum, business for the breeding and culture of marine product are an important approach to rapidly increasing the sources of export products, and to supplying animal proteins for the daily needs of the people.

4. In addition, we have many advantages in terms of international assistance, including the community of socialist countries, and the nations of the Indochinese peninsula, whose cooperation with us is gradually becoming total and all-embracing. This is an invaluable asset which enables our country to make great strides in the economic, cultural, and national defense domains.

Despite all those advantages, the exploitation of the economic potential of our sea region still has certain undeniable difficulties: our physical and technical installations, primarily our exploitation and processing equipment are poor and backward, production organization is still piecemeal and in the extensive-culture form, and, in many places, there are many people living in floating dwellings. Knowledge of the sea is still very limited due to the lack of sufficient basic surveys and studies.

However, we have deep-seated traditions of conquest of the sea by our forefathers. They are not that extensive, but they were earned through our ancestors' long struggle to build and protect our country. They are a great asset in the successful exploitation and use of the immense potentials of the sea region of our nation.

Basic Concept in the Exploitation and Development of Economic Potentials of Our Sea Region

To rationally exploit and use the sea region's economic potentials, it is my belief that we need to agree on the following concepts:

1. In the first place, we need to closely associate the protection of sea resources with their rational exploitation.

In the past, whenever they said, "The forests are gold, and the sea is silver," certain people thought of natural resources as inexhaustible. Realities showed that regardless of how rich any resource is, it has its own limits. In the world, it has been demonstrated that the annual output of marine products should not exceed 100 million tons. According to the Institute of Marine Product Economics and Planning (Ministry of Marine Products), sea fishing in our country should not go beyond 1.25 million tons per year. If this limit is exceeded, the potential will decline. This is only an objective necessity. In the world as well as in our country, there still are not a few instances in which the pace of exploitation outdoes that of natural reproduction, resulting in the destruction of the sea potential, and in some cases, the damage is beyond repair.

Because of the above reasons, there was a decline of the fishing output of certain countries. Statistics show a decrease of 300,000 tons in Thailand, and 150,000 tons in the Philippines in recent years. In our country, the old annual fish output of 75,000 to 80,000 tons went down to 40,000 tons in 1980. It crept up to an annual yield of 50,000 to 60,000 tons in the past few years, but the increase did not mean necessarily that exploitation went parallel with protection. Therefore, we need to bear in mind that protecting and enhancing the potential of sea resources have the purpose of exploiting those resources with durable economic efficiency. In the recent past, we used to go back and forth scouring the seashore area where young sea animals live and reproduce. This practice caused rapid attrition of reserves of marine products (including the area near the coastline and on open sea,) but, on the other hand, it pointed out the urgent need to provide rational protection if we want long-term exploitation of sea resources.

Moreover, the protection of marine resources also includes the protection of the marine environment, primarily of the mangroves inundated by salt-water which are being heavily destroyed, and of the estuary areas where wastewaters from cities and residential and industrial areas accumulate, as do chemicals used in agriculture and forestry, such as insecticides and herbicides. These poisons destroy the living environment, the reproduction sites, and the natural nutritional sources of many marine animals.

Therefore, the protection of sources of marine products is nowadays an issue of national importance and an urgent need. It pertains to the interests of not only the present generations but also those of future generations. Environmental protection, including the protection of oceans, has become an important issue for the whole world. The task of protecting sea resources, primarily marine products, does not mean necessarily that exploitation must be discontinued, but simply connotes that good protection must go in parallel with good exploitation, the two being closely associated and mutually dependent. In other words, protection, fostering, and rational exploitation are the components of the rational use and of the development of the economic potential of the sea.

2. Rational exploitation must be closely associated with the breeding and culture of marine products in salt and brackish water. This is the concept of development and the concept of extended reproduction. As we could see earlier, since marine product potential is limited, protection of such products in conjunction with exploitation is but one facet of the development process. If we integrate rational exploitation with breeding and culture, we then expand the development process, and we also expand the limited potential of the sea. Nowadays, the world fishing sector has coordinated those two directions of effort in almost every country, although there is a difference in degree of importance attached to each direction, and although the output of natural exploitation takes the vast majority of the general output of marine products. Nevertheless, in the long run, breeding and culture will bring high economic efficiency in many aspects: it contributes to more productive fishing on high seas and on the ocean, and it creates a rich and diverse exploitation zone along the seashore with high product output and favorable exploitation conditions.

Therefore, in conjunction with vigorous exploitation on the open sea, man steps up the breeding and culture of marine products of salt and brackish water in tidal and shallow sea zones. Many countries in the world make bit investments in breeding and culture of marine products, and, as a result, only after a short period of time, this production sector has been brought to the status of large-scale operations obtaining high economic success. The effort stems, in the first place, from the need for certain marine products with high nutritional value which industrial fishing is unable to address totally. On the other hand, it is the product of a comparison between the breeding of marine products and animal husbandry which shows that investments in the former can be much more profitable than in the latter. Finally, in many places, although no concrete data were obtained, it has been observed that breeding pays off even more than normal fishing. Nevertheless, in our country, breeding basically relies on natural conditions, or in other words, natural labor occupies a primordial position. Breeding is a quite special form of animal husbandry because, unlike other forms in which breeder and feed expenses account for most of product cost, breeding of marine products pays almost nothing for those expenses. Because of this very reason, after the capital construction phase, this method of breeding does not require large investments. Moreover, due to its short production time span, which is usually from 6 months to 1 year, capital can be rapidly recovered. At present, in our country, breeding and culture of marine products is concentrated on three varieties:

- a) Breeding and culture areas protected by dams and culverts are usually used to breed shrimp, fish, crabs, laminaria, etc.
- b) Those areas without dams and culverts are usually used to breed abalones, mother of pearl, sea fish, etc.
- c) Taming areas to overcome the wildness of some varieties of fish which are used to migrating long distances, whose activities aim at increasing the density of sea fish.

In the development of breeding and culture of marine products in salt and brackish water, we ought to pay more attention to the first two varieties, primarily to areas supported by dams and culverts in order to boost leading sectors, such as shrimp for export. Investment capital must also be concentrated primarily in the building of dams and culverts. Areas not protected by dams and culverts are very large, but our exploitation activities are still minimal. In general, utilization and exploitation are limited to small natural areas for the breeding of special products because surveys are not conducted and other economic and technical issues are not adequately solved. However, with the present method of manual breeding and culture, investment in those large areas needs no extensive capital. As an instance, in oyster stake-breeding, capital construction investment is approximately 4,000 dong per hectare (1976-1979), annual depreciation is 20 to 25 percent, and output can be as much as 10 to 15 tons per hectare. In rock breeding, each hectare needs approximately 200 to 250 cubic meters of rocks, and output may be 5 to 7 tons. Steel-wire breeding needs higher expenses but output can be 30 tons per hectare. (Footnotes) (Van Lam, "Development of the Breeding and Culture of Marine Products, ECONOMIC STUDIES MAGAZINE, No 71, p 19.) Many countries in the world make extensive investments in progressive breeding and culture ventures and their initial expenses are indeed very big, but returns are even bigger. Because of this very reason, those countries have extensively expanded this production branch in shallow sea areas. With regard to our country, our potential in the development of breeding and culture of marine products in areas without dams and culverts are immense, and experience obtained about investments and harvests mentioned above dictates that the expansion of this production branch may and needs to be done.

Therefore, combining exploitation with breeding and culture is a most important strategic development concept because it is the basis for maintaining and expanding sea potential, and it is a strategic approach to rapidly generate inexpensive sources of animal proteins, and to solve the people's needs in food.

3. Combining the people's traditional experience with modern scientific and technical methods has a pragmatic significance in the production reorganization of breeding and culture of marine products, and is most appropriate to the gradual transformation of fishing production from small to large scales. Obviously, modern material and technical installations for the sea economic sector have a decisive impact on its development capabilities and on the expansion of its distribution. Nevertheless, under the actual conditions of our country, since we are unable to embark immediately on the modernization of production, the combination of traditional skills with modern techniques is an appropriate and correct approach.

4. The combination of state-operated, collective and family economic sectors; of industrial, agricultural, forestry and fishing sectors; of various levels of the central, local and basic agencies; and of domestic and international ventures, has also become a basic concept in the economic exploitation and development of the sea region. Those combinations are the indispensable conditions and the premises for creating an integrated

and unified strength to, "exploit the immense potentials of the sea, and cause the sea to gradually and effectively contribute to the improvement of the people's living conditions and to the wealth of our country." (Footnote 3) (Le Duan, "Under the Glorious Banner of the Party, for Our Independence, Freedom, and for Socialism, Let Us Go Forward To Secure New Successes.")

5. We will try to create a smooth relationship between production, processing and export parties in a pattern of mutual interests and with due attention to the interests of the direct producer. It is obvious that in the final analysis, in order to enhance product quality and to expand production scale, the whole process starts from the production stage, or in other words, from breeding and culture and processing, to export or domestic consumption, in that order. In this process, the basic factor belongs to the breeder or the natural fisherman, and it is the element that generates the greatest assets. Therefore, the direct producer must be given proper attention materially as well as mentally, and appropriate policies must be instated for his benefit. This special privilege does not necessarily connote less concern for the processing and export activities, but on the contrary, the state needs to issue policies to stimulate export (for example, allowing export agencies to retain a portion of foreign currency earned to expand production and to improve the people's living conditions.)

6. We need to make concentrated, homogenous and systematic investments in some basic operations, such as synthesized surveys, and exploitation and breeding and culture of some laading sectors. We know that although our forefathers went to the sea very early in our history (about 3,000 years ago) but until now, the sea is still a region minimally exploited and used. This situation results from the fact that our concepts and knowledge about the sea are extremely marginal, and, on the other hand, from the lack of means for the conquest of the sea, namely, our limited capital, our poor physical infrastructure, and primarily our inefficient and backward equipment and production techniques. A direct consequence of these weaknesses is our inability to go farther than the seashore areas. In addition, our small-scale production pattern based on the planting of rice for self-sufficiency was the foundation for the survival of Vietnamese society in many generations, and was a limiting factor for the distribution of social labor (or caused this distribution not to be clear-cut in the first as well as in the second phase of labor distribution.) In other words, the old agricultural mode limited the development and exploitation of large tracts of land, for instance, even on the mainland, extensive territories were only exploited in recent cnturies, let alone the exploitation of the immensities of the sea which requires large investments and advanced techniques. Therefore, in the immediate future, the first important things to step up are synthesized basic surveys that are focused on a thorough evaluation of the economic, social, and national defense potential of the sea, and on that basis, formulate an appropriate development strategy combining economic with national defense activities, and vice versa.

Future investments must be intensified for the fishing industry, primarily high-sea fishing and breeding and culture of marine products in salt and brackish water (including tidal and shallow zones.) These investments are quite large because they encompass the construction of physical and technical installations for production (such as ships, boats, nets,) as well as the construction of coastal "rear bases" (service installations, wharves, processing facilities, and transportation and communications means.) In addition, other investments on social infrastructures must be made for the benefit of coastal residential areas (construction of villages and hamlets, and other social welfare, hospital, and school facilities,) in order to ensure resettlement conditions to support production and living conditions of the coastal dwellers.

Urgent Tasks in the Immediate Future in the Transitional Period Toward Socialism

In the near future, in order to appropriately exploit and use the potential of the sea region, we need to do the following urgent tasks:

1. To step up synthesized basic surveys and studies of the sea region which will serve as the basis for a long-range strategic development plan as well as for the 1986-1990 5-year plan. On the basis of those plans, we will rapidly determine areas of exploitation and of breeding and culture for the immediate future and for long-range projects. In order to successfully accomplish this task, we will need synthesized study programs (encompassing natural, economic, and social aspects,) and we must have available agencies conducting those basic surveys and synthesized studies in order that the building of the sea region become an important component in our economic and social strategy and in our scientific and technical strategy in the near future.

2. To determine appropriate production sectors with emphasis on leading sectors which are specialized production sectors supporting domestic food supply and export needs. In this context, we must develop the breeding and culture of shrimp, squid, and other sea special products having high economic value such as abalones, tortoise, mother of pearl, etc., and also certain varieties of salt and brackish water seafish not having long-distance migratory habits in order to increase the fish density of tidal and shallow zones.

In the processing domain, attention must be focused on the processing of frozen foods to support domestic and export needs.

3. To instate appropriate policies to generate sources of capital for the exploitation and breeding and culture of marine products. Since our national resources in this area are limited, a correct policy supported by adequate procedures must be able to mobilize capital from the sectors, production units, and private citizens to this effect. Foreign capital can also be called. This is a key issue in the formulation and implementation of the economic and social development strategy in general,

and in agricultural development (including also forestry and fishing) in particular. In the execution of this policy, raising the interest rate (plus profit on the merchandise produced) to benefit investors is a measure to be encouraged. In the meantime, apply the method, "self-balancing of the budget, self-payment of dues" that the state allowed the Marine Product Export Corp to test recently.

4. To consolidate physical and technical installations for the marine-product sector, with priority to the ocean-fishing sector, to breeding and culture infrastructures, and to "rear bases" along the coast in support of the latter (processing, services, collective welfare, etc.) In this context, to determine the appropriate direction of efforts in order to combine traditional skills with modern techniques, to integrate domestic capabilities in equipment with import capabilities (through the market or technical cooperation) in order to gradually modernize the sea economic sector.

5. To improve the system of economic policies including the following:

--Use of duty labor in coastal zones for land reclamation and in breeding and culture of marine products. If this policy is carried out well, investments needed for the construction of production infrastructure can be reduced.

--Adequate execution of food policies and of the sale of industrial goods for people living in coastal areas through economic agreements between the state and the people.

--For the purpose of encouraging producers, improvement of price and export policies as regards producers to allow the latter to receive part of the profit, in addition to including labor compensation in product cost.

--Policies encouraging scientific studies in direct support of production need to be instated; creation of integrated science-production agencies for certain important leading production sectors or marine products. In order to properly implement this policy, efforts must be placed on the formation and training of scientific, technical, and management cadres for marine products.

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GO DAU'S EXPERIENCE IN DISTRICT BUILDING DISCUSSED

Hanoi NHAN DAN in Vietnamese 16 Dec 85 p 2

/Article by Le Van Phuc, people's committee chairman, Go Dau District, Tay Ninh:
"Go Dau's Experience in District-building Begins with Developing Agricultural
System Based on Commodity Production; Fosters a Strong Point: Small Industry
and Handicrafts; Carries Out Effective Association, Cooperation"

/Text/ Zoning, Intensive Farming, Developing Rational System of Allocating
Crop Varieties

During the war, Go Dau (Tay Ninh) was a key zone on which the enemy concentrated its savage attacks. Two-thirds of its villages were destroyed and thousands of hectares were left barren while the people were oppressed and herded into fortified strategic hamlets. After the liberation, the revolutionary administration mobilized the people to return to their former fields and gardens for production. However, during that time, due to lack of organization, agricultural production was still individualistic, weak, backward, and based on rice monoculture, with parts of the land left uncultivated and with low crop yields, averaging 15 quintals per hectare annually for rice and only from 7 to 8 quintals for an insignificant acreage of peanuts. Also during that time, private ownership prevailed with some people having from 5 to 10 hectares of land to till and other landless peasants having to work as laborers or lease holders. This problem confronted the Go Dau party organization with the new, but no less difficult and complex, task of reorganizing and collectivizing peasants according to party and state lines and policies. In 1979, we took steps to investigate and readjust land ownership and mobilized people to join collectivization; by June 1981, the district had completed land readjustment for 1,527 households, distributed 1,212 hectares to 2,012 households including 262 landless families and set up 42 production collectives and solidarity production units. Agricultural transformation ebbed and flowed until October 1984, when integration of peasants into cooperatives and production collectives was basically completed.

Simultaneously with transforming and reorganizing production, the district has unceasingly accelerated production growth. Since our district has little land and many people (per capita land for cultivation is only 0.16 hectare), and since production is based on commodities, the only way for us to turn out more grain and food is to concentrate leadership on increasing intensive farming, multicropping, crop yield, and animal husbandry. However, results were

lower than expected because we initially lacked tangible leadership, scientific measures and a well-defined approach to selecting and allocating crop strains and animal breeds. In a comprehensive revamping effort, we have readjusted that approach to suit local conditions and divided the district into three large production zones. In each zone, we have delimited key areas for intensive farming, multicropping and high-yield cultivation and have set up cooperatives and production collectives specializing in planting rice on 2,040 hectares--of which 500 were high-yield--in villages along the Vam Co River and in planting peanuts on 1,500 hectares--of which 950 are high-yield--in Phuoc Dong and Bau Don villages. In production, we mindfully applied scientific and technical advances along with peasant empirical methods--transforming the land by leveling and nursing it with stable manure, lime, and chemical fertilizer--expanded the intrafield water-conservancy network, dredged existing ditches and canals and built embankments and ditches within the Dau Tieng Lake Basin water-conservancy project to collect water for irrigating the fields and washing up alum embedded in soil. Furthermore, we sowed and transplanted on schedule and according to density requirements, rationally used fertilizer, raised yield with new short-term varieties, evaluated and selected local rice varieties for rehabilitation and revitalization and gradually mechanized soil preparation to keep up with a faster crop-rotation pace. Especially, we have paid attention to plant protection by signing antipest insurance contracts with peasants. All these measures have generated a comprehensive increase in acreage, output, and volume of production throughout the years, step by step stabilizing production and achieving new progress. The coefficient of soil rotation has increased from 1.05 times in 1976 to 1.23 in 1984.

In 1984, total sowed and transplanted acreage was 17,217 hectares--16.98 percent over 1976. In the first 6 months of 1985 alone, total sowed and transplanted acreage exceeded the previous year's same period by 3,000 hectares. In 1984, rice was grown in 12,014 hectares, 242 hectares less than the previous year due to encroachment by the water-conservancy network; its average yield was 25 quintals per hectares--9.7 quintals over 1976 and 3 quintals over 1983. However, some cooperatives and production collectives even achieved from 4 to 5 tons per hectare. Winter-spring and summer-autumn peanut acreage was 3,540 hectares in 1985--2,962 hectares over 1976 and 732 hectares over 1984. The 1984-1985 winter-spring peanut crop yielded 15.7 quintals per hectare--3.2 quintals over the previous year's same period. In addition, other crops including manioc, corn, various kinds of beans, potatoes, and tobacco, were sowed and transplanted in appropriate areas with the aid of technical and scientific measures, resulting in increases in acreage, output, and volume of production. Gross grain output in 1984 was 32,523 tons--11,441 tons over 1976. Especially, to multiply commodity export value, we embarked on afforestation, planting 45 hectares of redwood in state farms and forestry sites in 1983-1984--not including tens of thousands of redwood trees planted by the people. Cooperatives and production collectives have been strengthened, gradually moving toward large-scale socialist production.

Transforming, Building, Rearranging Industry, Small Industry and Handicrafts

After the liberation, industrial, small industrial and handicraft installations in the district were insignificant and scattered, mainly devoted to rice milling

and processing of agricultural products. During the initial period, they continued under private ownership and management, processing only a few agricultural products under contract with the district and exerting no tangible and beneficial effects on agriculture. The state was unable to control the flow of goods, causing an imbalance in district economic development.

In light of that situation and the need to build and expand the economy, to link agriculture with industry, distribution and circulation, and generate harmonious upward movement, the district has created new installations and transformed existing ones. During the transformation process, we have conducted propaganda and education to stimulate the people to voluntarily pool resources with the state, starting with partnership and joint enterprise then advancing toward price uniformization and state management. In the beginning, difficulties abounded; but due to patient persuasion and correct implementation of state procedures and measures, we have now basically transformed this sector through the introduction of state-operated and joint enterprises and cooperatives. Fully grasping the mottos, "the state and people working together" and "the central government and localities and basic installations working together," the district has built new installations with its own capital and through association with friendly units and localities; however, since industrial installations specializing in processing and building have measured up to expectations, we have concentrated on those providing mechanical services and processing forestry products. Currently, there are in the district more than 10 joint industrial installations, including 4 new ones, contributing to partly solving the needs of agricultural production and people's livelihood.

While transforming and building industrial installations, the district has gradually set up and rearranged small industry and handicrafts in a relatively rational way. It has intensively guided the development of sectors and crafts catering to exports and consumer needs, for instance, jade bamboo blinds for export, soap, sauce, etc. It has directed cooperatives, production cooperative teams, and agricultural production collectives to create more agriculture-related sectors and crafts to enhance labor value and fully use surplus manpower. It has also educated former privately run small industry and handicraft and service installations before integrating them into collective production as combined small industry and handicraft cooperatives.

During the initial period, the association between industry and agriculture in the district was severely constrained, due to a failure to understand that task clearly. Later, guided by directives and resolutions from superior echelons and through actual work and planning, we have, step by step, linked industrial and small industry and handicraft installations with local agricultural production zones. Currently, the distribution of industrial and small industry and handicraft installations in the district is relatively rational, encompassing various industries--machinery, processing of agricultural products and food, communications, production of building materials and construction and installation materials, processing of forestry products, and services. State-operated and joint enterprises are placed under district management, leaving the rest to the control of villages, cooperatives, and production collectives. In the district, several installations are directed by the central and provincial governments--the rubber corporation under central management, the rubber-processing

enterprise, which processes and products rubber goods for export, under provincial management, and the vegetable oil enterprise, which processes and produces various commodities from peanut seeds to rubber, under provincial management.

A rationally arranged agroindustrial structure has led agricultural and industrial production to move ahead harmoniously, contributing to a balance between production, processing and consumption, creating conditions for speeding up production growth and transforming an essentially agricultural economy into an agroindustrial system able to turn out large quantities of merchandise to meet consumer needs and delivery quotas to the state and export norms, thereby playing a role in consolidating large-scale socialist production relationships. In 1984, total value of industrial and small industry and handicraft products posted a 9.70 percent increase over 1983 with 80,291,108 dong (based on 1982 fixed prices), accounting for 22.62 percent of the product value of all main sectors.

Expanding Association and Cooperation

In recent days, actively exploiting its own potential, our district has created many agricultural food products. After fulfilling its grain obligation to the state, it used these commodities, within the framework of association and cooperation with other friendly units, to exchange for supplies and building materials and other consumer goods. This has generated remarkable results-- prompt establishment of new material bases and acquisition of goods and supplies to cater to agroindustrial production needs in a timely manner. However, we have also noted that to enable the association and cooperation process to achieve tangible effects and properly serve the interest of all parties involved, we should correctly observe the principle of multilateral profitability and delve into socialist production and business. On the contrary, attempts to see the problem as an assistance from the haves to the have-nots and to focus exclusively on pure mercantilism would end up with short-lived results and other negative phenomena detrimental to socialist property.

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AGRICULTURE

SUBSIDIARY FOOD CROP PRODUCTION NEEDS GREATER EMPHASIS

Hanoi NHAN DAN in Vietnamese 6 Jan 86 pp 1, 4

[Editorial: "Subsidiary Food Crop Development Must Be Emphasized To Ensure Grain Production Plan"]

[Text] The various types of subsidiary food crops form an important part of grain output, usually accounting for 13 to 50 or 60 percent depending on the region. Rice is a valuable product but on the grain cultivation land, rice cannot be grown in all locations nor at all times. In some types of soil and during some seasons, a few varieties of subsidiary food crops must be raised before high economic effectiveness can be attained, consistent with the production practices and ecologic region. Each year, agriculture usually has five subsidiary food crop seasons following the planting and raising cycle. These are winter-spring, spring (concentrated in the north), summer-fall, fall-winter (concentrated in the south) and winter (concentrated in the north).

During the period of implementing the 1976-1980 5-year plan, when the annual grain production was only 240 to 270 kilograms per capita, because subsidiary food crops were emphasized, the area was increased by 15.8 percent annually and subsidiary food crops converted to paddy equivalent increased by 18.6 percent annually. Reaching the 1981-1985 plan, rice production increased fairly well and more rapidly than during the previous 5-year period at a rate of 6.8 percent annually but subsidiary food crop production declined by an annual 4.5 percent.

There were many reasons for the decline in subsidiary food crop production, some of them rational, because there were additional new conditions for shifting to the cultivation of rice and more effective industrial crops but an important cause in many reasons was a lack of concern for the proper level of supervision, not closely connecting production with processing, transportation, and purchasing, a lack of investment, and a lack of incentive policies.

The Resolution of the Ninth Plenum of the Party Central Committee and the Tenth Session of the National Assembly, Seventh Term, set forth the grain production mission for 1986 as 20 million tons. In order to ensure this output, paddy equivalent subsidiary food crops must comprise approximately 2.5 to 2.7 million tons, an increase in subsidiary food crop output over last year of 9 to 17 percent

Subsidiary food crops are not an essential requirement for humans but are the primary feed of the stock raising sector, are raw materials for the processing

industry, and various types such as white potatoes, millet, black sesame, etc. are export products. Therefore, local areas must define their capabilities for raising subsidiary food crops in order to determine the structure, crop proportion and crop variety in each plot in the crop rotation and multicropping system on each field forming a specialized cultivation region, from that rebuilding the fields and deploying the appropriate crop varieties. Based on the nutritional requirements of humans and domestic animals, they must arrange a suitable subsidiary food, rice and leguminous crop proportion aimed at achieving on one area unit high output in starch, protein, and oils to support an improvement in diet.

Special concern must be given the corn crop. Corn is the second crop after rice and is the most important of the subsidiary food crops. Localities must review the supervisory experience of Hanoi City concerning the corn crop. After only one year, with the proper level of emphasis, production incentive policies, suitable material and technical base investment and concentrated supervision, Hanoi City raised 10,000 hectares of corn with yields increasing from 15 to 28 quintals after one year.

At the present time, the 1985-1986 winter and winter-spring subsidiary food crops have many good expectations with an area increase of more than 11 percent over the same period last year, including a 21.6 percent increase in the north. The area of white potatoes alone has increased by 36 percent, corn by 30 percent, and sweet potatoes by 6 percent. The spring subsidiary food crop is also arriving. The area of this crop is concentrated in many regions, especially in the midlands, highlands and multicropping areas. The central and southern provinces must properly prepare for subsidiary food crops planted during April and May (called crop 1) and the fall-winter crop (crop 2) planted during July and August.

The 1986 nationwide corn production plan sets forth the need to achieve 416,000 hectares, an increase of 8 percent over 1985, and efforts to achieve average yields of 16.5 quintals per hectare, an increase of 3.5 quintals per hectare. Southern provinces will strive to achieve an average yield of 20 quintals per hectare. High-production corn areas must be established as has been done with rice. During 1986, Hanoi City is continuing during the second year to build concentrated high-production corn areas, developing the high-yield examples of cooperatives that have achieved 50 quintals per hectare. The provinces of Ha Tuyen, Hoang Lien Son, etc. also have and are building high-production corn areas of their own. Concerning white potatoes, manioc, etc., a number of regions with great requirements must also establish high-production areas on the basis of ensuring the grain output plan, and acquire additional production land for leguminous crops such as peanuts and soybeans, or crops of high commodity value with the purpose of acquiring, through exports and imports, additional materials to support intensive cultivation.

During the final months of 1985, when many provinces reexamined the 5-year 1981-1985 agricultural production results, they noticed that one of the weaknesses of their own local area was that the proper level of concern had not been given to subsidiary food crops and they now have many methods for actively correcting this shortcoming. Local areas, production collectives and cooperatives must make greater efforts in promoting subsidiary food crop production, assisting to ensure the 1986 grain production plan.

AGRICULTURE

BRIEFS

HYDRAULIC SURVEY IRRIGATION PROJECTS--Hanoi, 26 Feb (VNA)--The Institute of Hydraulic Survey and Designing of the Ministry of Water Conservancy has so far surveyed and designed 112 irrigation projects including 58 reservoirs and dams, and 189 pumping stations. These irrigation projects are supplying water for 1,682,000 hectares, and draining another 815,000 hectares. Right after the liberation of South Vietnam in 1975, the institute sent many groups of technicians to southern provinces to prepare for the building of irrigation works there, including such major projects as the southern Thach Han in Binh Trizthien [spelling of name as received] Province, and the Da Ban Dam in Phu Khanh Province. [Text] [Hanoi VNA in English 1516 GMT 26 Feb 86] /8309

CSO: 4200/746

HEALTH, EDUCATION, AND WELFARE

DEMOGRAPHY EXPERTS PREDICT CONTINUED HIGH BIRTH RATE

Hanoi THONG TIN KHOA HOC XA HOI in Vietnamese Jun 85 pp 41-45

/Article by Pham Bich San: "Some Demographic Problems in Present-day Vietnam as Seen by First Population Study Conference"

/Text/ Demography focuses on the study of birth and mortality rates and population transfers as well as the interaction between them and economic, cultural, and social factors. However, since the struggle to reduce the mortality rate and increase the average life span has achieved very fine results in our country, the demography department of the Institute of Sociology now puts emphasis on birth and population transfers and redistribution nationwide.

To that end, the first population study conference was held on 14 May 1985 under the chairmanship of Prof Vu Khieu, vice chairman of the Vietnam Committee on Social Sciences and member of the National Demography Committee. In attendance were Prof Dao Van Tap, chairman of the Vietnam Committee on Social Sciences; Tran Donh Hoan, vice minister of labor; and representatives from demography-related sectors.

In his opening address on "Placing Demographic Problems on a Scientific Basis," Prof Vu Khieu gave a concise expose of population growth in the world, stressing the pressing nature of that problem for both developed and developing countries. For a long time two conflicting views on demography had prevailed. The first opinion contended that overly rapid population growth leads to poor socioeconomic development; on the contrary, the other affirmed that it is rather poor socioeconomic development that causes population to shoot up. Scientists have now recognized the validity and importance of both views and applied them in a flexible and harmonious manner. To put it clearly, besides measures with direct effects on population growth, such as family planning, it is also extremely important to vigorously develop economic, cultural, and social conditions. Nevertheless, one should acknowledge that one of the fundamental flaws in planning of population growth in developing countries lies in a lack of essential basic investigative data--hence, of accurate scientific information, without which planning cannot be adequate. People often perceive demography in an overly simply way, ignoring the fact that to interfere with population growth is also to interfere with the most basic process of human life development--that of reproduction of men. Errors in economic policies are apt to cause enormous losses to a nation, yet errors in demographic policies are much worse

in the sense that they can directly threaten the very existence of that nation's people. That is why scientific research must be one step ahead of all other fields in demography, because only science can help us thoroughly solve the population problem now confronting us.

Currently, the most reliable demographic data nationwide are those put together by the first general census of 1979. Using these data along with sample surveys collected by the Institute of Sociology in recent years, Tran Bich San described the main features of Vietnam's present demographic situation within its political, economic, cultural, and social context. The Vietnamese population is young (with about 42 percent under 15 years) and suffers a substantial gender imbalance (especially in rural areas) due to fallouts from a protracted war and to strong ongoing industrialization. Population growth rates are relatively high (22 percent annually). However, these rates are not the same nationwide, going up and down instead, according to the extent of local resolve in implementing the family-planning policy--testimony to the fact that population reductions have been so far ensured by administrative measures, and not yet by the development of economic, cultural, and social conditions.

Analyzing additional data on urban inhabitants and the number of people engaged in nonagricultural occupations as well as those on population structure and living conditions in resettlement zones, the reporter emphasized two issues still marring our country's population distribution program: (1) The expansion of the nonagricultural workforce does not always go along with urbanization, if urbanization is perceived as an attempt to build a modern urban lifestyle, and (2) It is necessary to redistribute population to different areas; however, adequate investments are needed to ensure success for the policy of sending people to their new places of residence.

What, then, affects birth rates and the efficacy of the program of bringing people out of very densely populated areas?

The first series of scientific papers on birth rates reflected the theory advanced by the Institute of Sociology on that issue. In his report entitled, "Impacts of Psychosocial Aspects on Birth Rates," Vu Manh Loi reviewed studies in the world (from both socialist and capitalist countries). His report clearly shows that the final number of children in each family is decided not by the wish of each person or each married couple alone. Nor does it depend on managerial echelons with their birth quotas imposed on each family, or on the quantity of birth-control means supplied to married couples. That number is a combined result of many factors--running the gamut from living conditions and standard social values to the need for children, tangible conditions for procreation and also the capability for survival of existing offspring.

First of all, we should find out what values Vietnamese attach to their children. Do Minh Khue's report demonstrates that the highest value is to count on children to care for aging parents. Such a role is particularly typical of developing societies; by contrast, it is entrusted to social organizations in developed societies. The second highest value is that children perpetuate lineage--a value with religious overtones. To help with household chores or fill the home with joy are other expectations playing a remarkable role in the people's list of values on children.

Moreover, people's prejudices on boys and girls are very heavy. According to Doan Kim Thang's report, the view that one has true children only after having a boy still carries great weight. Most of those surveyed affirm that, even in present conditions, they will continue to procreate until they have a boy. Quite a few people still feel humiliated and anxious about not having the number of children expected by people around them. As Trinh Thi Quang's paper indicates, parents and relatives especially have a say in deciding whether married couples should keep bringing forth young and how many children are judged by them as barely enough.

Looking back briefly at various groups of persons from various age brackets during 5-year periods up to the present, Vu Manh Loi saw a notable change in the average number of children among groups of persons coming from the same age brackets but from different time periods. A common trend is that the average number of children has gradually been going down, with the strongest movement happening in the past decade. Thus, population growth in Vietnam is in tune with population growth in the world and this fact makes it easier for the birth-reduction campaign to succeed, since it fits in with a general law on population expansion that following a period of explosion its rhythm tends to slow up. Nevertheless, Vietnamese still want a very large number of children--ideal figures are 3.43 for men and 3.3 for women in the rural areas. Even in difficult economic conditions and under strict administrative management, the hoped-for figures still are 2.9 and 3.07 children, respectively. This need is double the birth-control goal--2 children, and will considerably hinder the effort to lower population growth.

The need to have many children is a product of history. One of many efforts at analyzing the impact of the past on that need was contained in Le Ngoc Van's report, entitled, "Role of Family in Vietnamese Feudal Society and Its Obstacles to Family Planning Policy." Under Vietnam's feudal rule and Confucian influence, the family and its procreative role took a special important meaning. Filial piety was elevated by Vietnamese feudalists to the rank of one of the three basic and foremost human factors in the maintenance of societal stability. It is not easy to eliminate overnight a view dating back to time immemorial. And this view has considerably hampered the birth-reduction campaign.

In sum, practical research conducted by the Institute of Sociology in past years clearly demonstrates that birth rates in Vietnam are still relatively high and that existing social conditions tend to prolong that trend. Reproduction standards and state-directed norms on having fewer children do not square with those standards and norms now regulating birth frequencies among the people, thereby making the proselytization campaign for family planning less effective. An increase in birth-control means alone does not lower birth rates as desired. What is needed is a gradual change in economic, cultural, and social conditions favoring the implementation of these means. But this will greatly depend on the sense of responsibility and understanding of various managerial echelons.

The conference also heard reports on the general population situation and birth rates, including a report by Dang Thu (Ministry of Labor) on a "Few Characteristics of Vietnamese Population," a report by Khong Dien (Institute of Nationality Studies) on "Birth Rates in Northern Ethnic Minorities," and a report by Nguyen

Van Phai (Statistics General Department) on "A Few Ideas on Investigating Birth Rates in Our Country." All these reports reinforced the conclusions put forward by the Institute of Sociology's research works.

The second series of reports to the conference described population transfers and the socioeconomic efficacy of that program since 1975. Tran Dinh Hoan, vice minister of labor, began the series with a report on "Some Ideas on Emigration Study," in which he reviewed investigative works on emigration around the world, especially in the Soviet Union and on long-distance population resettlement. The report also stressed that the ultimate goal of population transfer is to make laborers happy and that we should concentrate on the human problem while examining migratory effects--a knowledge necessary for us to successfully redistribute labor and populations nationwide.

Next, Pham Nhat Tan, a cadre of the Department of Mobilization and Population, spoke about the "Real Situation in Population Transfers from 1975 to the Present," clearly illustrating his report with charts on the number of migrants and migratory directions. His reports also showed that a directional shift in population transfer from the Bac Bo delta was under way--until recently to the Mekong River delta, and now to the Nam Bo delta and Central Highlands--and that in the years to come the movement to bring people out of the Bac Bo delta would intensify even more. The question is, "Currently, how do migrants live in various regions of the country?"

In response, a report by Dang Nguyen Anh (Institute of Sociology) on "A Few Thoughts About Migrant Economic Life" attempted to evaluate the minimum income of migrant families at various resettlement centers. In general, during the initial period, the migrants earned a little more than they did at their former places of residence and much more some time later. However, in places where resettlement time was longer (from 5 to 7 years), per capita income did not improve due to high birth rates. Another report by Pham Xuan Dai (Institute of Sociology) entitled, "Extent of Integration and Stabilization at Migrant Communities," looked into the social situation in resettlement zones. Based on the most theory treating sociology as a science devoted to studying the fusion of social systems, the report probed the reasons for discord between new arrivals and native people. Investigative data show that if we bring a tight-knit community into another community, chances for integration will be much weaker than those arising from attempts to introduce people into a local community and to create conditions for them to work and live together. In general, migrants at resettlement centers enjoy, not less--but even more--food and clothing than they did at home. However, all remaining aspects of livelihood--housing facilities, communications, transportation, public health, education and culture--are very seriously deficient. To help resettlers promptly stabilize their existence, in the future leading echelons should pay adequate attention to migrant cultural and spiritual needs.

But where do people want to move off? In her report on "Rural Female Laborers," Nguyen Thi Huong portrayed in part the restive behavior of rural people. Most of those surveyed (from 82 to 83 percent) say that urban life is better than rural life. City life is extremely attractive to rural laborers and fairly large numbers of those capable of migrating (mainly educated men) have begun

to do so. Most rural laborers are women and they also want to move away, not because of urban allurements but because rural labor is too toilsome. The report raised urgent problems which should be promptly solved in order to ameliorate labor conditions for rural women and enable them to improve their status.

In her report, Tran Thi Quy noted that male laborers, who account for most of the work force at large industrial zones, have very little chance of marrying--a fact leading to an unstable life and noxious effects on labor productivity. At the same time, in resettlement centers modeled after youth state farms, women virtually find no opportunities to marry ("Why Are Youth Building Sites Less Effective?"--a report by Tran Thi Xuyen.)

Population transfer is nothing new throughout many thousand years of our history, in which numerous valuable experiences have been recorded. A report by Nguyen Thi Nga (Institute of Social Sciences Information) evoked a historic period during which migration achieved magnificent results. The report analyzed in detail various forms of population transfer at work at the time and the extent of state investments to ensure success.

In sum, all reports on migration pointed out that, to some extent, the program begun in 1975 has achieved initial results. But they also showed that the program could become a real success if it could turn migrants into new people eager to pursue a modern lifestyle. Failing this, we could only put off a population explosion for a while with no chance for solving the problem thoroughly.

The third series of reports discussed general and special topics relating to demography. A report by Nguyen Van Lang entitled, "Population and National Economic Planning," examined the interaction between population expansion and economic development, noting clearly that failure to stop the current explosive population growth would make it difficult to fulfill the nation's economic plans. One of the population-reducing measures discussed by Vu Trong Binh (Ministry of Education) in his paper, "Educating Adults About Demography," is to strengthen people's knowledge about the population problem. Reports by Do Long on "Traditional Psychology and Current Population Planning," and by Dang Xuan Hoai (Institute of Scientific Education) on "Psychology in Stimulating People's Response to Family Planning Measures," delved into the same subject; especially, the latter emphasized the need for educating youths from both sexes more about gender attributes to enable them to take an active role in man-to-woman relationships.

Background papers were read at the conference, including a report by Nguyen Minh Thang (Center of Demographic Information) on how "To Understand Population Policies of Some Countries in the World," describing general and particular features of a large number of developing countries' demographic policies, as well as their successes and failures. Especially a brief report by Nguyen Thi Huong on "Consequences of China's One-child Policy" cited foreign documents on gloomy effects of that policy on the people--murders of female babies, clandestine deliveries, etc. Finally, the conference heard a report by Ho Hoang Hoa on some traits of the Vietnamese population as seen by Japan's Demographic Institute studies.

Closing the conference, Prof Vu Khieu, vice chairman of the Committee on Social Sciences and member of the National Demography and Family Planning Committee, emphasized two points. First, in current economic, cultural, and social conditions, birth rates in Vietnam are expected to be relatively high for a long time to come. Attempts to promptly solve the population problem through birth-control measures alone will not probably generate desired results; hence, in making economic and social development plans we should carefully take prospective population figures into account in order to avoid failures to meet people's needs. Second, in sending migrants to new lands we should provide each of them with conditions for comprehensive development, and only by doing so can the population transfer program truly come off with flying colors.

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POPULATION, CUSTOMS, AND CULTURE

THAI BINH TRANSFERS 10 PERCENT OF POPULATION

Hanoi NHAN DAN in Vietnamese 7 Jan 86 p 1

[Unattributed article: "Thai Binh: 10 Percent of Population Leaves To Build New Economic Zones"]

[Text] Implementing the strategic mission of labor and population redistribution to build new economic zones, Thai Binh Province during the past 10 years has transferred 27,822 village member families with 148,930 individuals, including 82,300 laborers; and has constructed new agricultural cooperatives in new economic points in the provinces of Lai Chau, Hoang Lien Son, Dac Lac, Gia Lai Kon Tum, Thuan Hai and Song Be. During the past 5 years (1981-1985), the entire province has transferred 65,000 people to build new economic zones following the three forms of: state-operated economy, collective economy and family by family integrated into the new economy points.

The number of people who have left to build new economic zones comprises nearly 10 percent of the present population of the province, equivalent to 30 villages with a population of about 5,000 each. If calculated by an average of 650 square meters of farmland per individual, those who have departed have left nearly 10,000 hectares at home. Of the province's seven districts and 270 villages, the four districts of Quynh Phu, Hung Ha, Vu Thu and Dong Hung and 215 villages have fairly heated movements for departing to build new homes. Twenty villages have had from 50 to 100 families depart; and 10 have had from 100 to 200 member families leave to build new economic zones. During the past few years, many villages have carried out the "concentrated departure" motto and a number of villages have had entire hamlets and entire family lines depart. This method meets both objectives of: simultaneously expanding the farming area wherever they go and maintaining their hamlet and kinship feeling. Many locations have successfully coordinated the task of encouraging people to depart for new economic zone construction with rural and field project planning. To this time, the entire province has eliminated 2,500 hamlets and miscellaneous farms in 194 villages, reserving additional land for production development.

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PUBLICATIONS

TABLE OF CONTENTS OF NGHIEN CUU KINH TE, DEC 85

Hanoi NGHIEN CUU KINH TE Dec 85 pp 79,80

[Text] LE HONG TAM:

On Theoretical, Methodological Foundation and Method of Working Out Socio - Economic Development Strategy of Our Country

The article gives a briefing of the preliminary results of the study on the topic "Theoretical Methodological Foundation and Method of Working Out Socio - Economic Development, of Our Country. A collective of authors presents a scientific aludication on the system of objectives, the concrete contents of economic structure as an integral part of the strategy, on the driving force and the system of measures to promote the driving force, the time for realizing the strategy and the program for working out the strategy.

VU HUY TU

Some Ideas On the Strategy of Industrial Development and Management During the Transition Period In Our Country

In the first part, the author presents a general assessment of the achievements and remaining defects in industrial production and management during the past 40 years and, at the same time, analyzes the objective and subjective causes, which are, in essence, the failure to have an appropriate mechanism. In the following, he analyzes the characteristics of industrial production in our country during the transition period. The last part points out a number of strategic orientations for industrial development and management: specifying objectives and sectoral structure, staff and labour, socialist transformation, building an appropriate mechanism of management.

CHU VAN LAM

Grasping and Applying the Laws of Planned Development Vis-a-vis the National Economy During the Present Period

On the aspect of cognizance, the author analyzes the interaction between the planning character and the direct social relations of labour and products. At the same time, he clarifies such methodological questions as refecting the

concept of "combining planning with market", considering market relations and economic levers as components of planning, analyzing the impact of the law of value and the utilization of the commodity-money relations in socialist transformation.

VU QUOC TUAN

Planning the National Economy In Our Country Now-Some Theoretical and Practical Problems

In the first part, the author affirms the great achievements of the past 40 years in the field of socio-economic management, including planning work. In the following part, also the main part, the author refers to a number of viewpoints in connection with the renovation of planning work under the light of Resolution Eight (Fifth convocation): evolving the relationship between centralism and democracy, the problems on forming economic structure and taking it as the core of the plan, applying correctly the system of economic laws, inclusion of full and accurate production cost into cost price of products.

NGUYEN MAI

Circulation of Consumer Goods In Our Country and Some Problems In Connection With The Renovation of the Mechanism of Commercial Operation in the New Situation

In the first two parts, the author deals with methodological questions in the study. On the basis of the changes taking place in the circulation of consumer goods during the past 40 years and the solution orientations of our Party and State, the author presents such lessons as the characters of law in linking transformation with building in the circulation of goods. In the third part, the author analyzes the situation in distribution and circulation in the implementation of Resolution Eight (Fifth Convocation) and refers to the commercial problems which need to be solved. At last, he analyzes the mechanism of commercial operation in the new situation.

BUI THE VINH

Some Ideas On Methodology In Designing District Economy Structure

The author deals with the essence of the issue which is methodology in designing the sectoral structure of material production. He refers to the concept and forms of district economy structure, presents viewpoints and foundation for specifying the system of trees and plants, domestic animals, products and services, analyzes the conditions put forth and at last, utilizes the methods of giving makes for assessment and comparison.

M.E. TRIGOUBENKO

International mutual assistance and cooperation of the CMEA countries-an important factor in successfully building economic basis in the S.R. Vietnam

VO DAI

Characteristics of the World Economic Situation and Their Impact on Vietnamese Economy In the Coming Years

The author analyzes four main characteristics-unprecedented difficulties, intensive development, renovation of economic theories and strategies, intensification of arms race-, their impact on our country and suggests that we should examine and assess fully this impact at present and in future work out a development strategy for a maximum exploitation of the positive impact, a maximum restraint of the negative impact and the optimum exploitation of the national potentialities.

G. VLASENKOV: Concepts on Building Economic Mechanism

V. MYTAREV: Soviet Economy: Tactics And Strategies Of the Experimentation

J.U. BOGTALIN: Encouraging Labour, Prospective Orientation and Decision

-Briefing on the scientific conference on Resolution Eight of the Party Central Committee (Fifth convocation).

-Briefing on the second scientific conference on "Socio-economic problems of the northern mountainous provinces".

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